

**FOR  
BERLIN**  
SINCE 100 YEARS



**ahead.**

**2023 Company Profile**

 **IBB Gruppe**

# The IBB Group

In 2021, Investitionsbank Berlin (IBB) underwent corporate restructuring. During the course of this process, the bank's holdings were spun off from IBB. IBB Unternehmensverwaltung Anstalt öffentlichen Rechts (IBB UV) was established by law by the Federal State of Berlin. As the Group's parent company, IBB UV is the owner of IBB and for its part is wholly owned by the Federal State of Berlin. All of IBB's equity investments were transferred to IBB UV. IBB's former subsidiaries have now become subsidiaries of IBB UV.

In addition to IBB as the main player, IBB Business Team GmbH, IBB Capital GmbH and IBB Ventures are particularly relevant for funding and promotional business. Together they form the IBB Group.

Sustainability is a top priority for the IBB Group and forms an integral part of its corporate strategy. The aim is to actively contribute to more sustainable development for Berlin. All promotional tasks addressed in the Annual Report are therefore geared towards Berlin's sustainable development.

This Company Profile is designed to provide our stakeholders with a quick insight into the most important developments in 2023 and for this reason contains only excerpts from the Consolidated Management Report and the Consolidated Financial Statements of IBB UV for the 2023 financial year. The complete Annual Accounts can be found at [www.ibb.de/gb2023](http://www.ibb.de/gb2023) and in the electronic Federal Gazette. The excerpts from the Annual Accounts contained in this Company Profile were prepared in line with the German Commercial Code.

**[www.ibbgruppe.de/gb2023](http://www.ibbgruppe.de/gb2023)**

# The IBB Group in numbers

## IBB Group's KPIs at a glance – 2022-2023

| In EUR million   | 2022           | 2023           | Change +/- in %           |
|--|----------------|----------------|---------------------------|
| Total assets   | 20,738.1       | 22,116.3       | 6.6                       |
| Business volume  | 21,876.7       | 23,071.7       | 5.5                       |
| Equity   | 1,131.5        | 1,167.7        | 3.2                       |
| Net interest income                                      | 120.3          | 135.9          | 12.9                      |
| Administrative expenditure                               | -142.7         | -159.4         | 11.7                      |
| Operating result   | 207.3          | 213.4          | 2.9                       |
| Economic result  | 21.3           | 36.6           | 72.2                      |
| Net income for the year                                  | 20.8           | 36.1           | 73.9                      |
| <b>in %</b>  | <b>2022</b>    | <b>2023</b>    |                           |
| Core capital ratio                                       | 19.7           | 19.2           | -2.4                      |
| Equity capital ratio                                     | 19.7           | 19.2           | -2.4                      |
| Cost-to-income ratio                                     | 68.8           | 74.7           | 8.5                       |
|  | <b>2022</b>    | <b>2023</b>    | <b>Change +/- in %</b>    |
| Employees  | 850            | 923            | 8.6                       |
| <b>(Funding and promotional) business in million EUR</b> | <b>2,211.5</b> | <b>2,254.7</b> | <b>2.0</b>                |
| Investitionsbank Berlin                                  | 2,105.3        | 2,196.1        | 4.3                       |
| IBB Business Team GmbH                                   | 26.8           | 44.3           | 65.4                      |
| IBB Ventures   | 17.5           | 14.2           | -18.6                     |
| IBB Capital GmbH   | 61.9*          | 0.0            | -100.0                    |
|  |                |                | <b>Fitch Ratings 2023</b> |
| IBB long-term rating                                     |                |                | AAA stable                |
| IBB short-term rating                                    |                |                | F1+ stable                |

\*without intermediary share

# The IBB Group



Board of Management: Dr. Hinrich Holm (Chair)  
Angeliki Krisilion

IBB is the business development bank of the Federal State of Berlin and a wholly owned subsidiary of the IBB Group. IBB promotes and finances investment projects on behalf of the Federal State of Berlin in order to improve economic, ecological and social living conditions in Berlin and thereby advance sustainable development. In addition to business development as well as real estate and urban development, the bank's portfolio was expanded in 2022 to include labour market promotion.



Management: Andreas Bißendorf  
Dirk Maass

On behalf of the Federal State of Berlin and IBB, IBB Business Team GmbH (IBT) implements various funding programmes for start-ups, SMEs and real estate owners. These support services aim to reinforce Berlin as an innovative location and start-up metropolis and to advance climate protection.



Management: Roger Bendisch  
Marco Zeller

IBB Beteiligungsgesellschaft mbH (IBB Ventures) was established in 1997 and makes open equity investments (early stage) in Berlin-based technology companies or in the creative industries through several funds. The company has been one of Germany's most active VC investors for years and has contributed significantly to Berlin's development as a successful European start-up location. The investment activities of IBB Beteiligungsgesellschaft and its VC subsidiaries are bundled under the 'IBB Ventures' brand.



Management: Torsten Harr  
Stefan Sonnenberg

IBB Capital GmbH was established in 2020 and tasked with financing young Berlin-based companies with an innovative business model through equity or equity-like instruments. To this end, it implements the 'Covid aid for start-ups' programme which is fed from the Federal Government's EUR 2bn aid programme for start-ups and organised via KfW.

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# Berlin ahead.

## *Ladies and gentlemen,*

2023 was a difficult year – and promotional banks are made for difficult times. Political and economic uncertainties overshadowed the year, along with high inflation and the energy price crisis. The ongoing war in Ukraine and the unstable situation in the Middle East are not only tragedies of immeasurable human suffering, but they are also destabilising factors for the economy in Europe and the rest of the European and global economy.

It goes without saying that these events have also impacted Berlin's economy. And yet, the economy in Berlin is doing well compared to the rest of the country. While the national economy shrank by 0.3 %, Berlin's economy was able to withstand the general economic downturn, recording GDP growth of just under 1 % in 2023. This was due to the business services sectors, which contribute around 30 % to gross value added, especially the IT and communications sector, which recorded considerable growth in turnover and employment. Even though the inflation rate, which was a key factor throughout the year, has fortunately weakened, both consumption and investment lack the necessary stability for a smooth start. In particular, the

current uncertainties surrounding the climate and transformation fund, which was cancelled by Germany's highest court, are stalling investment plans in many areas.

## *Good business result for the IBB Group*

Despite the economic headwinds, we as the IBB Group reaffirmed our central role in supporting housing construction, promoting companies and the labour market in this challenging year. Demand for our funding programmes remained robust and our promotional balance sheet for 2023 underlines that we were able to act reliably and effectively even in the face of the given difficulties. In the year under review, the IBB Group was able to make financing commitments totalling EUR 2,254.7m, which is roughly the same level as in the previous year (previous year: EUR 2,211.5m) and very satisfactory in view of the turbulent environment. Together with our private and institutional partners, we were able to mobilise a total investment and funding volume of EUR 4.9bn, thus creating or safeguarding 5,549 jobs in Berlin. The highest share of total financing

commitments is attributable to the activities of IBB, which made commitments totalling EUR 2,196.1m in 2023 (previous year: EUR 2,105.3m). The public sector accounted for around EUR 380m of this figure. IBB Business Team GmbH, IBB Ventures and IBB Capital GmbH together recorded financing commitments totalling EUR 58.6m (previous year: EUR 106.2m).

IBB reported positive figures in all of its business areas and was thus able to achieve much for Berlin as a business location. At EUR 370.4m, funding for business development was significantly higher than the previous year's figure (EUR 301.4m), representing an increase of around 22.9 %. Lending business increased significantly by 29.8 % with approvals up to EUR 237.0m. The grant programmes also followed this positive trend, with commitments up by EUR 16.1m to EUR 133.4m. With a financing volume of EUR 1,372.5m in 2023, the recent years' high level of real estate and urban development was once again maintained. This is despite current interest rate levels and rising construction costs due to the effects of the war in Ukraine, which have led to a general decline in construction projects in

Berlin as a whole. A significant increase was achieved with the grant programmes in particular, with commitments amounting to EUR 160.8m, resulting in a more than tenfold increase in the financing volume compared to the previous year's EUR 13.9m.

In the year under review, the labour market promotion programme issued financing commitments totalling EUR 65.3m, significantly exceeding the result from 2022 when it was first introduced (previous year: EUR 8.5m). These funds were distributed across 14 funding programmes and enabled 80 project sponsors to receive support under the European Social Fund Plus (ESF+). This gave more than 5,200 people the opportunity to acquire new skills through participation in these programmes.

In addition to traditional funding and promotional business, IBB was also entrusted with the management and implementation of the 'energy assistance' programme in the year under review. In the wake of the energy price crisis, the Federal Government and the Federal State of Berlin had introduced relief packages in response to geopolitical tensions, particularly due to the Russian war of aggression against Ukraine, supply chain problems and the rising cost of fossil fuel, in an effort to ease the burden on private households and businesses. In 2023, IBB made financing commitments totalling EUR 25.9m as part of the 'energy aid' programme, thereby making a significant contribution to cushioning the financial impact.

However, the financial year was an extremely successful one not only for IBB, but also for IBT. With a significant increase in the volume of grants committed, up by EUR 17.5m to EUR 44.3m, IBT set a positive example in the promotional landscape. IBT carried out 14 funding programmes in 2023. Innovative programmes such as ProNTI and ProVALID were introduced while existing offers such as the Solar-PLUS programme were expanded to include the promotion of solar energy devices and the Berlin InnovationBONUS was extended to

include new target groups. These comprehensive measures did much to promote innovation and entrepreneurship in Berlin.

At EUR 14.2m, the volume of financing by IBB Ventures was slightly below the previous year's figure (EUR 17.5m) due to the difficult economic conditions in the year under review. Forty-four investments were supported by the funds in 2023. IBB Capital has been implementing the 'Covid aid for start-ups' programme since it was founded. By the end of 2023, a total of around EUR 157.8m had been disbursed here, helping many start-ups. In addition, the Federal Government and KfW announced the new 'RegioInnoGrowth' (RIG) programme in August 2023. The Federal State of Berlin plans to participate in this government programme via the IBB Group. In Berlin, the programme is to be implemented by IBB Capital under the name 'Berlin InnoGrowth' (BIG). The programme aims to continue supporting high-growth companies from the IBB Capital portfolio that have already benefited under the 'Covid aid for start-ups' programme.

The IBB Group closed the 2023 financial year with net income of EUR 36.1m. This is a good 73.9% above the previous year's figure of EUR 20.8m and shows a very stable business result.

### *For more sustainability, diversity and digitalisation*

In our efforts to assume a pioneering role in the area of sustainability and at the same time to continuously improve in the areas of digitalisation and diversity, we also stepped up our efforts in 2023 to further advance these key issues that are so important to us. One important focus for us is the transformation of Berlin's economy and how we can support this process by supporting innovative companies and solutions. This goal emphasises our commitment to a sustainable, green economy that creates not only ecological, but also social and economic added value. In the year under review, we therefore issued another social bond totalling EUR 500m, updated

our sustainability guidelines and extensively addressed the requirements of the CSRD and taxonomy. In line with this and to do even more justice to the 'S' in ESG, we officially appointed a Diversity Officer in 2023 who is actively dedicated to promoting an inclusive corporate culture and is supported by an interdisciplinary team. We have also stepped up our efforts in the area of digitalisation in order to make our promotional and funding programmes even more accessible in future and to simplify the application process for our customers.

### *Celebrating 100 years of IBB*

Now that the 2023 financial year has come to a close, we are turning our attention to the year ahead which will be a very special one for us as we celebrate our 100th anniversary in 2024. These one hundred years of promotion and funding not only make us proud, but also motivate us to forge ahead with even greater determination and innovation. The tradition of promoting affordable housing and supporting the business community is the foundation of our work. In our anniversary year, we are therefore not only looking back, but also moving forward with confidence, motivation and commitment on our path towards a sustainable and socially just Berlin. For example, our support for the Federal State of Berlin in buying back the district heating network emphasises how we are helping to shape a sustainable and liveable city.

Finally, we would like to thank all our colleagues at the IBB Group. Your commitment and your ideas are the basis of our success. Together with you, we want to continue promoting the transformation of Berlin's economy and find solutions that ensure Berlin's long-term success and resilience. The opportunity to transform Berlin into a ground-breaking metropolis is greater than ever.

Let's walk this path together. [#aheadforberlin](#)



Dr. Hinrich Holm  
Chairman of the Board



Angeliki Krisilion  
Member of the Board



*IBB's business development in 2023 in figures*

| Programmes                                       | Pledged financing in EUR million |                         |              |              |
|--|----------------------------------|-------------------------|--------------|--------------|
|  | Number                           | Volume (in EUR million) |              |              |
|  |                                  | Loans                   | Grants       | Total        |
| As per 31 December 2023                          |                                  |                         |              |              |
| Berlin Start                                     | 54                               | 10.7                    | 0.0          | 10.7         |
| Berlin Capital                                   | 0                                | 0.0                     | 0.0          | 0.0          |
| Berlin Infra                                     | 4                                | 74.6                    | 0.0          | 74.6         |
| The Berlin Innovation programme                  | 1                                | 0.5                     | 0.0          | 0.5          |
| Common task (GRW)                                | 126                              | 0.0                     | 74.8         | 74.8         |
| SME fund (growth/syndicated)                     | 6                                | 1.4                     | 0.0          | 1.4          |
| SME fund micro-loans                             | 37                               | 1.0                     | 0.0          | 1.0          |
| IBB growth programme                             | 11                               | 121.8                   | 0.0          | 121.8        |
| <i>Pro FIT</i>                                   | 142                              | 21.1                    | 41.1         | 62.2         |
| Berlin innovation specialists                    | 147                              | 0.0                     | 2.9          | 2.9          |
| Congress fund                                    | 160                              | 0.0                     | 5.2          | 5.2          |
| Intermediate financing for film                  | 19                               | 3.3                     | 0.0          | 3.3          |
| Internationalisation programme                   | 309                              | 0.0                     | 9.5          | 9.5          |
| The <i>BERLIN liquidity assistance</i> programme | 4                                | 2.4                     | 0.0          | 2.4          |
| Berlin Infra special business                    | 1                                | 8.0                     | 0.0          | 8.0          |
| <b>Total, including special business</b>         | <b>1,021</b>                     | <b>245.0</b>            | <b>133.4</b> | <b>378.4</b> |
| <b>Total, excluding special business</b>         | <b>1,020</b>                     | <b>237.0</b>            | <b>133.4</b> | <b>370.4</b> |
| Cluster share in support programmes (IBB)        | 714                              | 139.0                   | 110.8        | 249.8        |
| Cluster share in %                               | 70.0                             | 58.6                    | 83.0         | 67.4         |
| Founder share in support programmes (IBB)        | 377                              | 96.0                    | 53.1         | 149.1        |
| Founder share in %                               | 37.0                             | 40.5                    | 39.8         | 40.3         |

*IBB's labour market promotion in 2023 in figures*

|                                |  | Financing commitments 2023<br>Volume in EUR million | No. of<br>approvals |
|--------------------------------|--|---|---------------------|
| FI 1                           | Orientation and qualification for women              | –   | –                   |
| FI 2                           | Qualification in the culture sector                  | 1.4   | 11                  |
| FI 3                           | Berlin start-up scholarship                          | 20.5  | 14                  |
| FI 4                           | Spin-offs from universities                          | 1.2   | 3                   |
| <b>Securing skilled labour</b> |  | <b>23.1</b>   | <b>28</b>           |
| FI 5                           | Educational support IBA                              | 4.7   | 4                   |
| FI 6                           | Educational support SEK I                            | 1.8   | 2                   |
| FI 7                           | Building bridges                                     | 5.7   | 12                  |
| FI 8                           | Closing funding gaps                                 | –   | –                   |
| FI 9                           | Avoiding training dropouts                           | 9.6   | 10                  |
| FI 10                          | Qualification to secure skilled labour MSA           | 6.6   | 33                  |
| FI 11                          | Support for migrants/refugees                        | 4.2   | 2                   |
| FI 12                          | JÖK – Youth Ecological Culture                       | 4.9   | 8                   |
| <b>Education</b>               |  | <b>37.6</b>   | <b>71</b>           |
| FI 13                          | Local, social, innovative                            | 0.5   | 26                  |
| FI 14                          | Basic education for low-literate adults              | 2.9   | 11                  |
| FI 15                          | Qualification of people at risk of addiction/addicts | –   | –                   |
| FI 16                          | Participation-oriented social space management       | 1.1   | 1                   |
| <b>Social inclusion</b>        |  | <b>4.5</b>  | <b>38</b>           |
| <b>Total</b>                   |  | <b>65.3</b>   | <b>137</b>          |

*IBB's housing and real-estate development in 2023 in figures*

| Year under review                                      | Financing commitments in EUR million |                |
|--|--------------------------------------|----------------|
|  | 2022                                 | 2023           |
| <b>Refurbishment</b>                                   |                                      |                |
| IBB energy-related refurbishment                       | 32.5                                 | 42.4           |
| IBB homes for the elderly                              | 2.7                                  | 3.7            |
| IBB housing modernisation                              | 2.2                                  | 8.3            |
| KfW energy-efficient rehabilitation                    | 30.5                                 | 0.4            |
| KfW remodelling for the elderly                        | 0.1                                  | 0.0            |
| <b>Sub-total – refurbishment</b>                       | <b>67.9</b>                          | <b>54.8</b>    |
| <b>New build</b>                                       |                                      |                |
| KfW energy-efficient building                          | 8.3                                  | 0.2            |
| KfW home ownership programme                           | 3.8                                  | 1.2            |
| Funding for housing associations                       | 0.1                                  | 22.4           |
| IBB new housing fund                                   | 95.4                                 | 144.9          |
| IBB new renting housing                                | 259.7                                | 155.3          |
| <b>Sub-total – new buildings</b>                       | <b>367.3</b>                         | <b>323.9</b>   |
| <b>Other service activities</b>                        |                                      |                |
| Syndicated loans and syndicated guarantees             | 330.1                                | 271.0          |
| Berlin Infra   | 163.2                                | 107.5          |
| Berlin Infra new school construction interim financing | 245.0                                | 329.8          |
| Reorganisation and structural loans                    | 0.0                                  | 0.0            |
| Loans in addition to government support                | 64.4                                 | 35.2           |
| Grant programmes                                       | 13.9                                 | 160.8          |
| <b>Sub-total - others</b>                              | <b>816.6</b>                         | <b>904.2</b>   |
| <b>Total new business (including grants)</b>           | <b>1,251.8</b>                       | <b>1,283.0</b> |
| Refinancing  | 119.1                                | 89.5           |
| <b>Total</b>   | <b>1,370.9</b>                       | <b>1,372.5</b> |

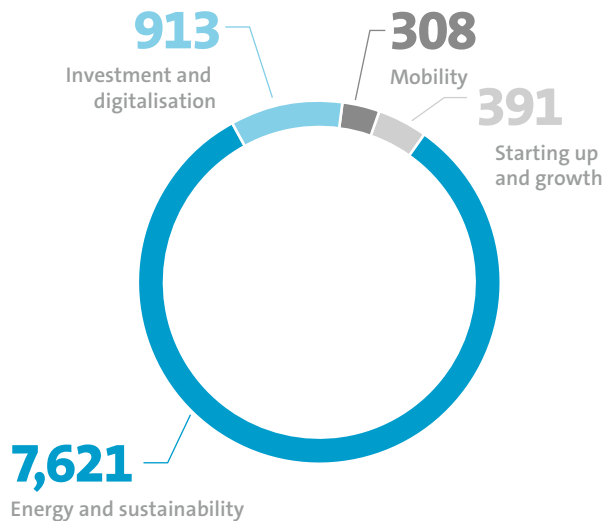
# IBB Business Team GmbH

IBB Business Team GmbH (IBT) supports Berlin-based start-ups, small and medium-sized enterprises (SMEs) as well as homeowners and residential tenants.

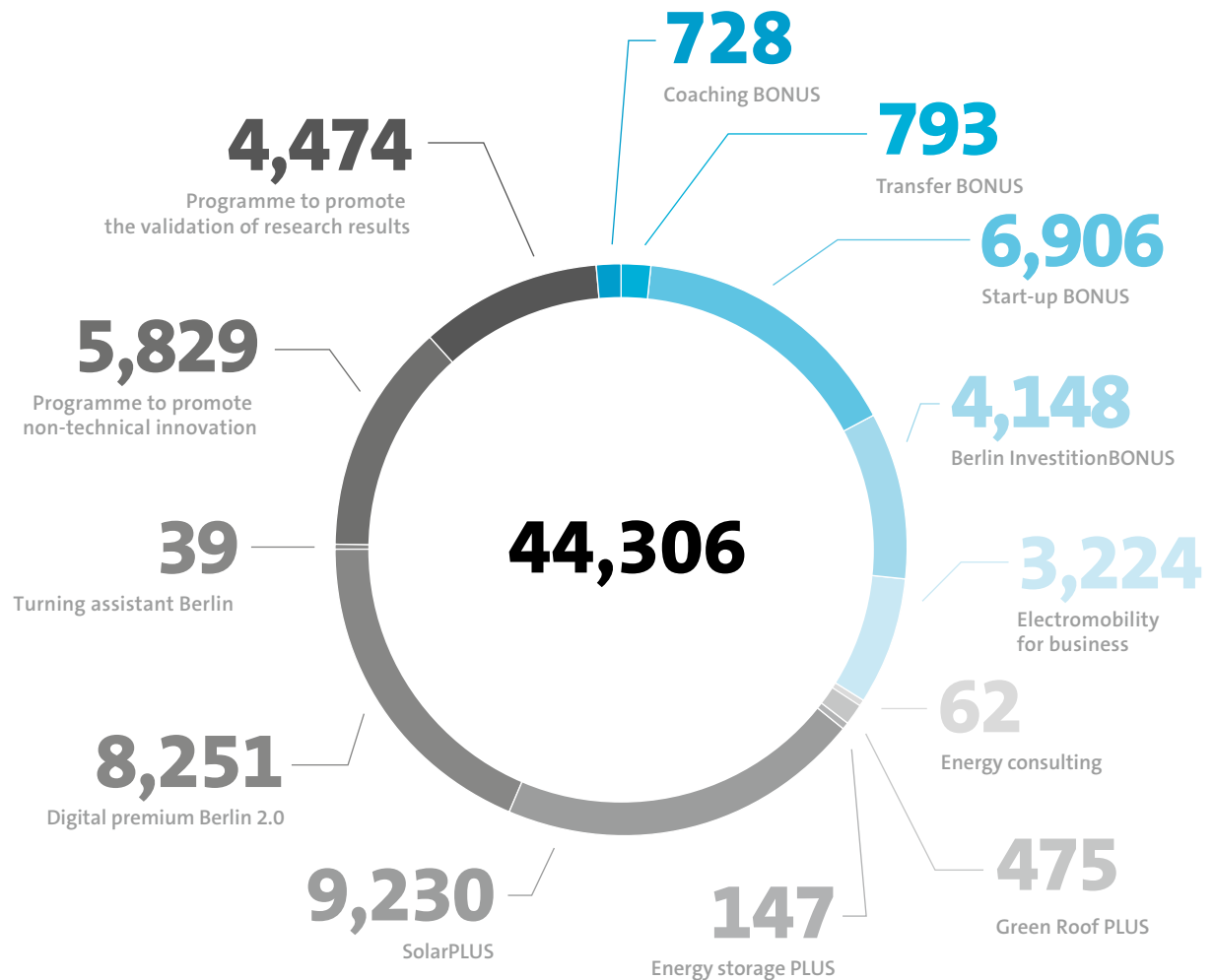
With its funding offers, IBT contributes to achieving the goals of the Federal State of Berlin in the areas of start-ups and consulting, innovation and digitalisation, energy and sustainability as well as mobility.

As per 31 December 2023, IBT oversaw a total of 15 funding programmes under which it pledged more than 9,233 financing commitments with a volume of more than EUR 44.3m.

## Number of funding commitments by IBB Business Team GmbH



## Financing commitments by IBB Business Team GmbH 2023 (in EUR 1,000)



# IBB Ventures

For years now, IBB Ventures has been one of Germany's most active VC investors and has contributed significantly to Berlin's development as a successful European start-up hub.

Following the addition of an Impact VC Fund to the portfolio in 2022, the next generation of funds, VC Fund Technology and VC Fund Creative Industries, was also launched on 1 January 2023. While the latter two funds continue the long-established support for young and fast-growing technology companies and companies operating in the creative industries, the Impact VC Fund is aimed at Berlin-based start-ups whose business activities are making a significant and measurable contribution to the implementation of the United Nations' Sustainable Development Goals (SDGs). The volume of the three funds in the current fund generation amounts to EUR 120m. Since 1997, IBB Ventures has launched funds with a total volume of over EUR 410m. Together with financing partners, more than EUR 1.8bn has been invested in over 280 start-ups in Berlin.

The ongoing war in Ukraine, falling valuations in later financing rounds, high energy prices and rising key interest rates as a result of inflation once again created a challenging environment for Berlin-based start-ups in 2023. In particular, high key interest rates and falling valuations in later financing rounds can also have a negative impact on the financing options of start-ups in the longer term. Following record-level financing in 2021, 2023, just like the previous year, saw a steep decline both in the number and volume of venture capital financing in Germany.

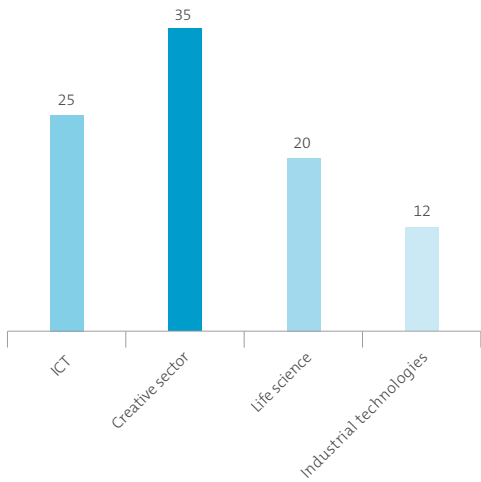
In view of these more difficult conditions, the financing volume recorded by IBB Ventures in the past financial year was slightly below the previous year's level. In 2023, the funds were used to finance 11 new investments and to complete 33 subsequent financing rounds. IBB Ventures invested EUR 14.2m in first and subsequent financing rounds. In addition, private investors have provided the start-ups with a further EUR 59m in joint financing. An additional EUR 43m flowed into portfolio companies through financing from private investors in which IBB Ventures did not participate.

## Profile

|   |                   |
|---|-------------------|
| Investments in 2023                                       | <b>EUR 14.2m</b>  |
| Financing rounds in 2023 (of which first rounds)          | <b>44 (11)</b>    |
| Equity capital in 2023 (with financing partners)          | <b>EUR 73m</b>    |
| Portfolio companies as per 31 Dec. 2022 (number)          | <b>92</b>         |
| Total turnover of the portfolio companies in 2023         | <b>EUR 837m</b>   |
| Total number of jobs in the portfolio companies           | <b>3,729</b>      |
| Total equity capital since 1997 (with financing partners) | <b>EUR 1,896m</b> |

At the end of 2023, the IBB Ventures portfolio comprised 92 companies, 62 % of which operate in the technology sector and 38 % in the creative industries (consumer and digital).

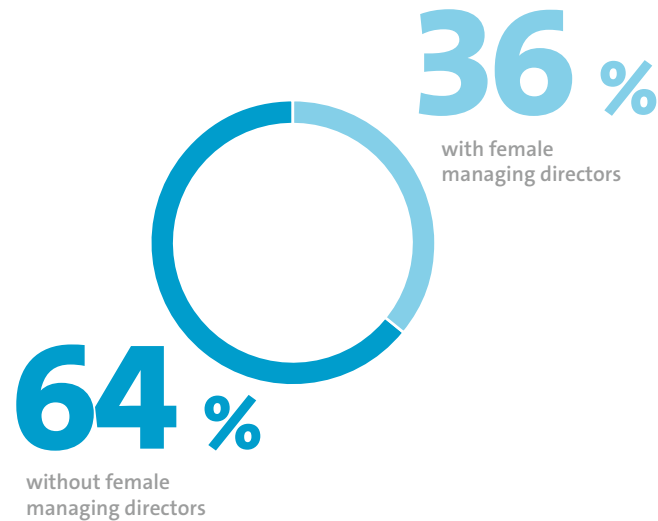
**The IBB Ventures investment portfolio**  
Number of companies



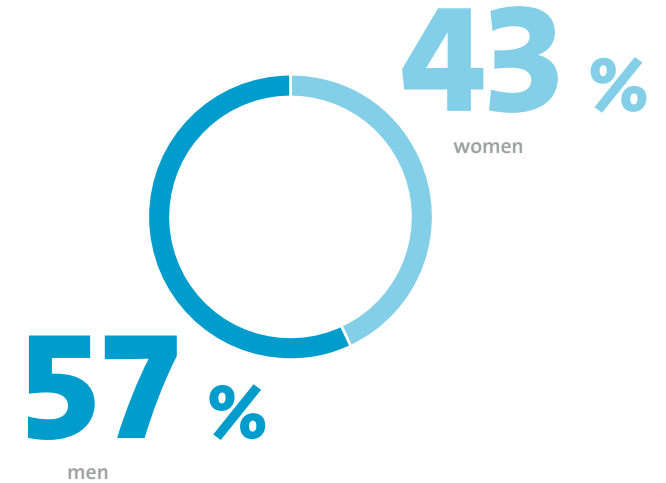
*Strengthening female founders*

IBB Ventures is a member of the #startupdiversity initiative by the German Startup Association and bitkom. The initiative aims to strengthen female founders in the start-up ecosystem. The share of female entrepreneurs in Germany currently totals a mere 20.7 %. Among the start-ups financed by IBB Ventures for the first time in 2023, the share of companies with at least one female managing director totals 36 %.

Initial funding in 2023 with female managing directors



Share of women in the investment portfolio



Among the 3,729 employees in the portfolio companies financed by IBB Ventures as per 31 December 2023, women account for a share of 48 %

# IBB Capital GmbH

Since its establishment, IBB Capital has been implementing the 'Covid aid for start-ups' programme. During the Covid crisis, the programme was fed from the Federal Government's EUR 2bn aid programme for start-ups and was refinanced to a large extent by KfW. Further IBB funds are secured by the Federal State of Berlin. IBB Capital uses these programme funds to finance Berlin-based start-ups together with co-investors (so-called intermediaries: business angels, family offices as well as private VC and private equity companies) that have an innovative business model with high growth and value enhancement potential and a positive forecast for continuation. As a precondition, a large proportion of the start-ups' employees had to work in Berlin.

By the end of the programme's investment phase on 30 June 2022, a total of 252 commitments had been made to 137 start-ups. A total of around EUR 157.8m was disbursed by the end of 2023. In August 2023, the Federal Government and KfW announced the launch of the new 'RegioInnoGrowth' (RIG) programme. The Federal State of Berlin is planning to participate in this new government programme via the IBB Group. IBB Capital is to implement the programme in Berlin under the name 'Berlin InnoGrowth' (BIG). The programme addresses high-growth companies from the IBB Capital portfolio that have already benefited under the 'Covid aid for start-ups' programme.

In December 2022, IBB Capital already assumed responsibility for management of the new Turnaround Programme (TA Programme). The programme aims to provide equity capital for SMEs capable of restructuring in crisis situations. In this programme, IBB Capital will also work in partnership with co-investors (intermediaries) who are to stabilise the companies operationally and return them to profitability. The Federal State of Berlin initially provided EUR 5m to implement the programme in the 2023 financial year. Further budget funds have been earmarked for 2024 and 2025. However, IBB Capital GmbH was not yet able to make any investments under this programme in 2023.

# Funding and promotional activities of the IBB Group in 2023

Berlin's economic engine came to a stutter in 2023. Both consumption and investments lacked the stability needed for a smooth start. In particular, the uncertainties surrounding the special-purpose energy and climate fund, which was cancelled by Germany's highest court, are stalling investment plans in many areas. In addition to the traditional funding programmes, the IBB Group also continued its Covid aid and financed start-ups.

## *Financing by the IBB Group ...*

In 2023, the IBB Group issued 15,148 approvals for grants, loans, project financing, equity investments and guarantees totalling around EUR 2.2bn, including EUR 72.9m for Covid aid programmes. The three IBB business areas of real estate and urban development (EUR 1.28bn), business development (EUR 750.4m) and the newly established labour market promotion (EUR 65.3m) together contributed almost EUR 2.1bn through their new business. IBB Ventures, IBB Business Team and IBB Capital together approved a further EUR 58.6m.

## *... together with their partners*

In addition to the EUR 2.2bn committed by the IBB Group, private and institutional partners invested a further EUR 2.7bn, resulting in a joint investment and funding volume of around EUR 4.9bn.

## *Regional economic effects*

If further-reaching economic assessments only take into account expenditure related to investment in Berlin, then a total of around EUR 2.2bn was spent on new machinery and business equipment, new construction and expansion or refurbishment of apartments or commercial properties, as well as rescuing companies and self-employed persons in Berlin who had fallen on hard times as a result of Covid.

## *Enormous investment boost*

According to calculations by IBB's economists, this EUR 2.2bn, which represents around 8 % of private-sector investments made in Berlin (estimated to be EUR 26.3bn), can be allocated to projects supported and co-financed by the IBB Group and its partners. According to information provided by the companies supported, these investments are related to the creation and protection of a total of 5,549 jobs, including 2,179 newly created jobs.

## *Boost to economic strength*

In addition to the primary effect of the investments in the companies supported by the IBB Group, IBB's economists also look at secondary turnover and employment effects in upstream and downstream value-added sectors of Berlin's economy. In this way, other companies in Berlin benefit indirectly from funding, for instance, by providing additional construction and other services or supplying input products. These impulses in turn have an impact on economic variables such as growth, employment and public sector revenues throughout Berlin which will continue beyond the 2023 funding period.

The bottom line is that, according to a model calculation by IBB's economists, the financing of EUR 2.2bn initiated by the IBB Group

and its partners will increase Berlin's gross domestic product by EUR 2.8bn in the period from 2023 to 2025, EUR 2.3bn of which already became effective in the 2023 funding period

## *Jobs secured*

In addition, another 1,500 jobs were secured in various sectors of Berlin's economy, at least temporarily, outside the supported companies. Together with the jobs in this category reported to the IBB Group, a total of up to around 7,060 people were thus saved from unemployment. Without this job-securing effect, the average unemployment rate in 2023 would have been 9.5 %, 0.4 percentage points above the annual figure of 9.1 % reported by the Berlin-Brandenburg Statistics Office.

## *Benefit for public revenues*

Of particular interest, in addition to the increase in Berlin's gross domestic product, is the impact on public sector revenues. In addition to benefiting from higher tax and social insurance revenues, the public sector also profits from a lower demand for transfer payments. As a result, Berlin's public revenues will increase during the period under review by around EUR 300 million due to the IBB Group's support measures.

# Management Report of IBB UV (excerpts)

## The Group a glance

### Business model

IBB Unternehmensverwaltung AöR (IBB UV) was established by the Act on the Reorganisation of the Legal Relationships of Investitionsbank Berlin (IBB) (*Gesetz zur Neuregelung der Rechtsverhältnisse der Investitionsbank Berlin (IBB)*) of 7 June 2021 with effect from 1 January 2021. The Federal State of Berlin is the owner of IBB UV as an incorporated institution under public law having its registered office in Berlin. IBB UV is a financial holding company within the meaning of sec. 2f of the German Banking Act (*KWVG, Gesetz über das Kreditwesen*). It is the superordinate company of the IBB Unternehmensverwaltung Group (hereinafter 'IBB Group') and is subject to supervision by the Federal Financial Supervisory Authority.

In addition to managing its subsidiaries, IBB UV also assumes responsibility for IBB's ownership as well as for establishing, acquiring, holding and managing equity interests in companies, in as far as these perform tasks that IBB is required to fulfil pursuant to sec. 4 of the Law Establishing Investitionsbank Berlin as an Incorporated Institution under Public Law (*Gesetz über die Errichtung der Investitionsbank Berlin als rechtsfähige Anstalt des öffentlichen Rechts*) (IBBG, *Investitionsbankgesetz*). It also provides services for these companies, such as management, personnel and auditing services. It does not engage in banking business. The IBB Group is a group under commercial law with IBB UV as the parent company.

### Company structure

IBB UV's executive bodies are the Management Board, the Administrative Board and the Owner Meeting. Dr. Hinrich Holm has been appointed Chairman of the Management Board and Ms. Angeliki Krisilion has been appointed Member of the Management Board. The Management Board manages IBB UV's business in its own responsibility and subject to law, the memorandum and articles of association, the guidelines adopted by the Administrative Board, as well as the business rules applicable to it.

### Investments and scope of consolidation

The IBB Group's main strategic holdings for the implementation of the promotional mandate of the Federal State of Berlin include Investitionsbank Berlin, IBB Business Team GmbH, IBB Beteiligungsgesellschaft mbH and IBB Capital GmbH. In addition to IBB UV as the parent company, the scope of consolidation in 2023 includes ten fully consolidated subsidiaries:

| Consolidated companies  | IBB UV share<br>(%) direct | IBB UV share<br>(%) indirect |
|---|----------------------------|------------------------------|
| Investitionsbank Berlin AöR, Berlin                               | 100.0                      |                              |
| IBB Beteiligungsgesellschaft mbH, Berlin                          | 100.0                      |                              |
| IBB Business Team GmbH, Berlin                                    | 100.0                      |                              |
| ipal Gesellschaft für Patentverwertung Berlin mbH, Berlin         | 100.0                      |                              |
| VC Fonds Berlin GmbH, Berlin                                      |                            | 100.0                        |
| VC Fonds Kreativwirtschaft Berlin GmbH, Berlin                    |                            | 100.0                        |
| VC Fonds Technologie Berlin GmbH, Berlin                          |                            | 100.0                        |
| IBB Capital GmbH, Berlin  | 100.0                      |                              |
| EMII EU Malaria Fund Berlin Institutional Investors GmbH & Co. KG | 100.0                      |                              |
| EMF EU Malaria Fund Berlin GmbH & Co. KG, Berlin                  |                            | 100.0                        |

IBB UV also holds shares in other companies, including several investments on behalf of the Federal State of Berlin:

| Non-consolidated companies  | Share held (%) |
|---|----------------|
| Immobilien-gesellschaft Spreestadt-Wegelystraße mbH (IGSW)              | 100.0          |
| BTGI Berliner Trägergesellschaft für Gewerbe-Infrastrukturmaßnahmen mbH | 100.0          |
| EMM EU Malaria Fund Berlin Management-gesellschaft mbH                  | 100.0          |
| DAB Digitalagentur Berlin GmbH  | 100.0          |
| Medienboard Berlin-Brandenburg GmbH                                     | 50.0           |
| Berlin Partner für Wirtschaft und Technologie GmbH                      | 31.5           |
| Berlin Tourismus & Kongress GmbH  | 25.0           |
| Peppermint CBF 1 GmbH & Co. KG  | 19.9           |
| European Social Innovations and Impact Fund GmbH & Co. KG               | 3.2            |
| Various investments by VC funds   | Various        |
| Various investments by IBB Capital                                      | Various        |

## Goals and strategies

The IBB Group's paramount goal is defined by the promotional function provided by law.

Its goals in detail: (1) adequately implement the public mandate, (2) manage investments in an economically optimised way, (3) actively shape the transformation to the 'Impact' group. The 'Impact' group is tasked with expanding the topic of sustainability and implementing the climate strategy in the Group. In addition to IBB, the scope of regulation of the Group-wide business strategy also includes investments in the area of bank-related promotional business, i.e., IBB Beteiligungsgesellschaft mbH, IBB Business Team GmbH and IBB Capital GmbH.

The Group-wide risk strategy forms the risk-related safeguards for the implementation of the business strategy. It defines the extent to which risks can be taken and how these are to be managed. The Group-wide remuneration strategy aims to maintain a stable remuneration policy in the IBB Group as well as performance-based and market-orientated remuneration of employees.

## Management accounting system

The IBB Group manages the relevant companies on the basis of the key performance indicators determined in accordance with national accounting regulations and regulatory requirements.

Management is based on an annually recurring strategy and planning process. This is carried out in compliance with the regulatory requirements and the risk strategy adopted by the Management Board.

Management is hence risk and value-oriented and basically follows the process steps of planning, implementation, assessment and adjustment. Central management tools are, in particular, the financial statements, planning, financial and risk reports as well as liquidity, new business and portfolio reports, which are prepared in accordance with commercial law and regulatory requirements. Deviations, if any, and their root causes are continuously analysed by means of target-to-actual comparisons.

### *Financial performance indicators*

IBB's success-based management accounting parameters and/or most important financial performance indicators at Group level are:

- new business volume
- the operating result (combined with the sustainable development of earnings to ensure the ability to service debt, the ability to distribute dividends and future capital measures in the subsidiaries)
- administrative expenses
- total capital ratio (from 2024: core capital ratio)

In line with the Group's public promotional mandate, the **volume of new business** in the subsidiaries is an important parameter. In order to manage future strategic growth measures in promotional business, the IBB Group calculates the volume of new business at Group level. The volume of new business primarily includes all new commitments made and is supplemented by follow-up and refinancing, as well as supplementary financing for existing support programmes.

The **operating result** is calculated from net interest as well as net commission income and the balance of other operating income and expenses.

**Administrative expenses** are made up of personnel expenses, other administrative expenses and depreciation and valuation adjustment of intangible and tangible fixed assets.

The **total capital ratio** (regulatory view of risk-bearing capacity), which is calculated according to the rules of the Capital Requirements Regulation (CRR) as the ratio between liable equity and the sum of risk assets, also serves as another important management variable for the Group. From 2024, the **core capital ratio** will replace the total capital ratio as the Group's key performance indicator. The core capital ratio is the ratio between core capital and total risk-weighted assets.

The financial performance of the most important indicators will be addressed separately in the economic review.

### *Non-financial performance indicators*

The IBB Group has not defined any non-financial performance indicators relevant to management accounting. Non-financial reporting in accordance with the CSR Implementation Act (CSR-RUG, CSR-Richtlinie-Umsetzungsgesetz) is provided in a separate, non-financial report of the IBB Group. The report is published on the IBB Group's website ([www.ibbgruppe.de](http://www.ibbgruppe.de)).

# Economic review

## Overall economic conditions

Berlin's economic engine came to a stutter in 2023. Both consumption and investments lacked the stability needed for a smooth start. Real incomes in the capital city recovered slowly after falling inflation rates and successful wage negotiations in the second and third quarters of 2023, with increases of 0.7 % and 0.3 %, respectively. However, households in Berlin continued to exercise consumer restraint because the four previous quarters with real wage losses of up to 3.1 % had not yet been absorbed and consumer price inflation of 3.9 % in December was still well above the ECB's target of 2 % year-on-year. The uncertainties surrounding the special-purpose energy and climate fund, which was cancelled by Germany's highest court, are also stalling investment plans in many areas. The economy at large also provided little impetus for Berlin's economy. In Germany, the economy shrank by a price-adjusted 0.3 % in 2023. That being said, Berlin was still able to achieve above-average GDP growth of just under 1 %.

The German capital's economy is primarily supported by business-related service sectors, which account for around 30 % of total gross value added. Price-adjusted sales growth of 12.4 % was reported here in the first eight months of the year compared to the same period of the previous year. All service areas contributed to this growth. The information technology and communications sector (ICT) made a particularly reliable contribution to Berlin's growth. In the period from January to August, this sector increased its turnover by an above-average 14.7 % and employment by 2.7 % compared to the same period last year.

This had a positive effect on Berlin's labour market, which still grew at an above-average rate in October reporting a 1.3 % increase in

employees subject to social insurance contributions (Germany: +0.7 %). This corresponds to a year-on-year increase of 21,200 to around 1.69 million people. However, after peaking in May 2022, momentum on the labour market slowed considerably with an increase of 4.8 %. Since the beginning of 2021, the number of people out of work has gradually recovered from the pandemic peak of 212,500 reaching around 190,800 in December 2023, corresponding to an unemployment rate of 9.2 %.

Berlin's industrial manufacturers, on the other hand, felt the economic headwind in the wake of international uncertainties. Turnover recorded by Berlin's 325 industrial companies with more than 50 employees fell by 10.5 % year-on-year to EUR 29.4bn in the period from January to October. Manufacturers of pharmaceutical products in particular, which make up the strongest industrial sector accounting for a turnover share of around 21 %, are experiencing a normalising trend following strong sales growth during the Covid pandemic. Sales here were reported to be down by 16.2 % or EUR 1.9bn. In contrast, incoming orders in Berlin's industry are on the upswing in the first ten months (+4.9 %), which could mark the start of a slow recovery in the coming months. However, industry in Berlin only accounts for just under 6 % of total gross value added.

Building permits for urgently needed apartments rose only minimally by 0.5 % to 13,231 in the first ten months of 2023 compared to the same period of the previous year. This led to continued reluctance among developers due to general uncertainty about the medium-term property price trend in residential construction. The insolvency of an international property developer also revealed the difficult situation for project developers. As the ECB's main refinancing rate rose by a further 250 basis points to 4.5 % and the cost

of construction work remained high, many planned construction projects were no longer able to maintain their originally planned financing framework and were postponed or completely cancelled. The situation on Berlin's property market thus generally remained tense in 2023 and the excess demand for housing seen in recent years remained high.

The high interest rates also affected VC investors, who withheld their financing and increasingly scrutinised business plans for their profitability. In the first half of 2023, venture capital for Berlin-based start-ups had already more than halved to a total of EUR 1.4bn – with financing focusing primarily on innovative ideas as well as energy topics. As it was often no longer possible to raise sufficient follow-up financing in this tougher financing climate, more start-ups were forced to give up than in the previous year. In the period from January to September 2023 alone, 25 % or 136 more young companies filed for insolvency than in the same period of the previous year. Of the total 1,237 business failures in Berlin, 684 companies were less than eight years in business at the time they shut shop.

### *Course of business*

The macroeconomic conditions once again presented new challenges this year for the Group. That being said, the IBB Group was still able to record strong demand for funding and promotional programmes compared to the previous year. Financing commitments totalled EUR 2.2bn (previous year: EUR 2.2bn) and were therefore close to the planned level. IBB's share of this total was EUR 2.2bn (previous year: EUR 2.1bn). The IBB Group's economic development continues to be shaped by Investitionsbank Berlin, IBB Capital GmbH, IBB Beteiligungsgesellschaft mbH and IBB Businessteam GmbH. For this reason, key aspects of the business development of the four companies are taken from the management reports as per 31 December 2023.

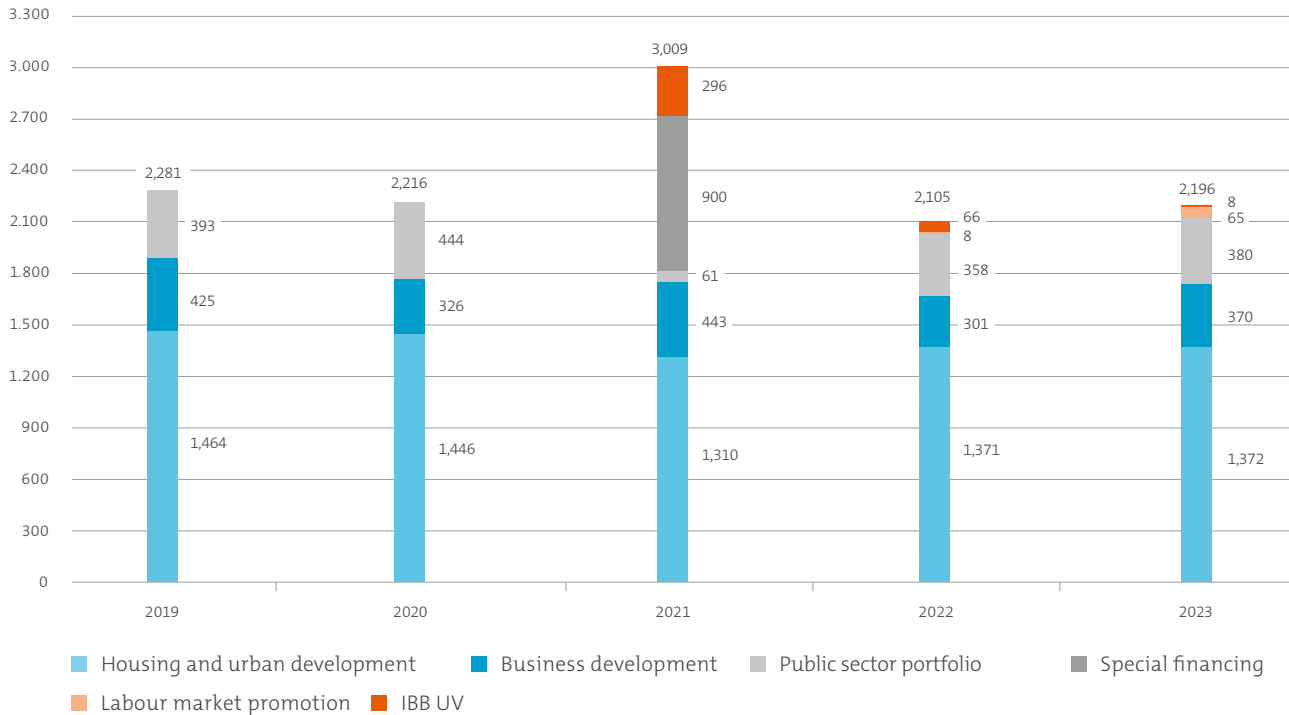


*Investitionsbank Berlin*

Pledges for financing in the areas of **real estate and urban development** with a new business volume of EUR 1,372.5m (including grants) were significantly below the planned figure (target achievement of 88 %), but still slightly above the previous year's figure (EUR 1,370.9m). In particular, current interest rates and rising construction costs due to the effects of the war in Ukraine have led to a general slowdown in construction projects throughout the city.

**Financing commitments**

for loans, guaranteed loans and grants in million EUR



Neither the previous year's result nor the target figure were achieved in funding for new social housing (EUR 322.6m; previous year: EUR 355.1m, target: EUR 365.0m).

Demand from housing associations for public construction loans to finance price-controlled housing increased significantly compared to the previous year. The commitment volume totalled EUR 167.2m (previous year: EUR 95.4m), corresponding to 105 percent of the targeted figure. In contrast, at EUR 155.3m supplementary financing for new social housing construction was down by EUR 104.4m against the previous year (target achievement of 76 %).

Financing for the energy-efficient refurbishment of the housing stock is below the previous year's figure (EUR 54.8m; previous year: EUR 67.9m). Nevertheless, these financing commitments show an achievement of 115 %.

The volume of commitments in the area of supplementary funding fell short of the planned figure by 28 % but was almost on par with the previous year's result (EUR 472.4m; previous year: EUR 472.6m). The 'Berlin Infra' programme is an important instrument in supplementary funding as this programme supports public companies based in Berlin in which the Federal State of Berlin is the majority shareholder. New school buildings are also financed through the 'Berlin Infra' support programme. Coming in at EUR 437.2m (of which EUR 329.8m in new school construction), financing under this programme was well above the previous year (EUR 408.2m, of which EUR 245.0m in new school construction) but significantly below expectations (budget: EUR 550.0m, of which EUR 500.0m in new school construction).

Syndicated financing recorded commitments of EUR 271.0m (target achievement of 99 %), which was significantly below the previous year's result of EUR 330.1m. With regard to follow-up and refinancing

as well as supplementary financing to close financing gaps, demand fell significantly compared to the previous year with a financing volume of EUR 89.5m (previous year: EUR 119.1m) and was clearly below expectations (target achievement of 58 %).

**Business development** is growing despite the challenging economic situation. Financing commitments totalled EUR 378.4m (including EUR 8m in special business with IBB Unternehmensverwaltung). Even excluding special transactions, loan approvals totalled EUR 237.0m (target achievement of 137 %) and were significantly higher than the previous year's result (EUR 182.6m). Coming in at EUR 133.4m, grants exceeded the previous year's result (EUR 117.3m) but fell slightly short of expectations (target achievement of 90 %).

The programme with the highest volume was the IBB Growth programme with EUR 121.8m and a target achievement of 174 %. This clearly exceeds the previous year's result of EUR 119.0m. The funding programme 'Common task to improve regional economic structure' accounted for a good share of new business development coming in at EUR 74.8m (previous year: EUR 70.5m), although it fell noticeably short of expectations (target achievement of 75 %). The third pillar is the 'Berlin Infra' programme with a volume of EUR 74.6m (previous year: EUR 21.9m) and a target achievement of 149 %. The 'ProFIT' grant programme (EUR 41.1m; previous year: EUR 38.6m) significantly exceeded the planned volume (target achievement of 130 %).

IBB was also able to support the **public sector** with municipal loans for the realisation of infrastructure projects amounting to EUR 379.9m. These financing commitments were significantly above expectations (target achievement of 152 %) and the already strong previous year's result (EUR 358.0m).

The **labour market promotion** business unit issued financing commitments totalling EUR 65.3m (target achievement of 104 %) and is thus significantly above the result achieved in 2022 (EUR 8.5m), the year in which it was launched. The volume is spread across 14 funding programmes, the largest of which, the 'Berlin Start-up Grant', approved financing commitments totalling EUR 20.5m. As a result, this programme significantly exceeded expectations with a target achievement of 175 %.

In summary, it can be seen that the macroeconomic situation during the course of the year is reflected to a considerable extent in demand for certain funding programmes.

#### *IBB Business Team GmbH*

In the 2023 financial year, IBT implemented 14 funding programmes as well as the funding projects Berlin-Brandenburg Business Plan Competition (BPW), German Founders' and Entrepreneurs' Days (deGUT, Deutsche Gründer- und Unternehmertage) and Energy Advice for Efficiency and Optimisation (ENEO, Energetische Beratung für Effizienz und Optimierung). In addition, IBT continued to provide the 'IBB telephone exchange', 'IBB post office' and 'IBB reception' services.

During the course of the year, programme management was taken over for the funding programmes to promote non-technical innovations – ProNTI – (starting 3 April 2023) and to promote the validation of research results ProVALID – (starting 3 April 2023). In addition, the SolarPlus (SOP) programme was expanded to include funding for plug-in solar devices (10 February 2023) and the Berlin InnovationBONUS (BIB) programme was expanded to include new target groups (1 August 2023).

For IBT, 2023 was a good year for promotional activities. In particular, there was strong demand for the new ProNTI and ProVALID funding products and for funding for plug-in solar devices under

the SOP programme. IBT issued 9,227 financing commitments (previous year: 6,055). The volume of grants pledged fell by EUR 17.5m to EUR 44.3m (previous year: EUR 26.8m).

#### *IBB Beteiligungsgesellschaft mbH*

As per 31 December 2023, IBB Beteiligungsgesellschaft held the investments in the three VC fund companies with a total book value of EUR 184.2m (previous year: EUR 184.3m) and in IGSW with a book value of EUR 0 just as in the previous year. In the year under review, the funds supported 44 (previous year: 55) investments with financing commitments totalling EUR 14.2m (previous year: EUR 17.5m).

#### *IBB Capital GmbH*

IBB Capital GmbH made a total of 252 commitments to 137 start-ups by the end of the programme's investment phase on 30 June 2022. A total of around EUR 157.8m was disbursed by the end of 2023. From the financing commitments made up to 30 June 2022, around EUR 2.7m had not yet been utilised at the end of 2023. Most of the financing was granted as subordinated convertible loans or open participations.

## Income position

The IBB Group's business performance is significantly shaped by IBB. The following development can be seen for the 2023 financial year:

| in EUR million   | 2023         | 2022         | Change       |              |
|--|--------------|--------------|--------------|--------------|
|  |              |              | absolute     | +/- in %     |
| Net interest income  | 135.9        | 120.3        | 15.6         | 12.9         |
| Net commission income  | 21.2         | 17.2         | 4.0          | >100         |
| Other operating net income/expenses                                    | 56.3         | 69.8         | -13.4        | -19.3        |
| <b>Operating result</b>  | <b>213.4</b> | <b>207.3</b> | <b>6.1</b>   | <b>2.9</b>   |
| Administrative expenses  | -159.4       | -142.7       | -16.7        | -11.7        |
| <b>Operating result before risk provisioning/<br/>valuation result</b> | <b>54.0</b>  | <b>64.7</b>  | <b>-10.6</b> | <b>-16.4</b> |
| Risk provisioning/valuation result                                     | -17.4        | -43.4        | 26.0         | 59.8         |
| <b>Economic result</b>   | <b>36.6</b>  | <b>21.3</b>  | <b>15.4</b>  | <b>72.2</b>  |
| Other taxes  | -0.5         | -0.5         | 0.0          | 0.3          |
| <b>Net income for the year</b>   | <b>36.1</b>  | <b>20.8</b>  | <b>15.4</b>  | <b>73.9</b>  |

The **operating result** (EUR 213.4m), which once again developed very positively against the backdrop of continued high interest rates, increased compared to the previous year (+2.9%). On the other hand, earnings fell slightly below expectations.

**Administrative expenses** of the IBB Group, which comprise personnel and material expenditure as well as depreciation of tangible fixed assets, increased significantly year-on-year to EUR -159.4m (+11.7%, previous year: EUR -142.7m).

Although personnel expenses at IBB, which were already characterised by increased special effects in the previous year (inflation-related adjustment of pension provisions), fell significantly (EUR –75.1m, previous year: EUR –80.5m), they are in line with expectations.

In contrast, however, material expenditure, the largest driver of administrative expenses (EUR –76.1m), increased by 38.4 % compared to the previous year (EUR –55.0m). This increase in material expenditure is driven by a rise in IT costs at IBB, which was once again the result of considerable expenses in conjunction with processing the special audit in accordance with sec. 44 of the German Banking Act and the introduction of a new core banking system. Nevertheless, total material expenditure is slightly below forecast (–8 %).

In the year under review, the IBB Group's **risk provisioning/valuation result** improved significantly, including the allocation to the provision reserves in accordance with sec. 340f and sec. 340g of the German Commercial Code (HGB, Handelsgesetzbuch) totalling EUR –17.4m (previous year: EUR –43.4m). The result includes the valuation and disposal result from the IBB Group's lending, securities and investment business.

The main reason for the reduction in the IBB Group is the realisation of a clearly positive valuation result for securities in the liquidity reserve (EUR +7.4m; previous year: EUR –11.7m), which is mainly due to reversals of losses from (approaching) maturities.

The trend in risk provisioning in IBB's lending business was also positive (EUR +2.2m; previous year: EUR –8.6m). In the year under review, it was possible to significantly reduce general allowances after adjusting the parameters for determining the probability of default as a result of the easing of the energy crisis. This is offset by an increase in specific valuation allowances in conjunction with the insolvency of a major project developer.

In the case of the Malaria Funds, it was necessary to increase loan loss provisions in the amount of EUR 15.5m. The venture loans granted by the Malaria Funds are essentially refinanced by the EIB. Income of EUR 7.2m from the reduction in liabilities to the EIB due to corresponding contractual arrangements is included in other operating income.

The IBB Group's investment business is characterised by a positive result from disposals totalling EUR 18.7m and a valuation result of EUR –7.2m.

In addition, reserves of EUR 22.1m were recognised in the reporting year in accordance with sec. 340f of the German Commercial Code.

With **net income for the year** of EUR 36.1m (previous year: EUR 20.8m), the IBB Group recorded a very stable business result for 2023.

The **development of the IBB Group's income position** is significantly determined by Investitionsbank Berlin, IBB Capital GmbH, IBB Beteiligungsgesellschaft mbH and IBB Businesssteam GmbH. For this reason, key aspects of the business development of the four companies are taken from the management reports.

### Investitionsbank Berlin

In view of the current economic and geopolitical challenges, the bank can look back on a solid financial year. The earnings position shows a satisfactory result that is above plan. Continuous income from ERDF grants as well as income from the collection of redemption shares due to IBB under the Basic Agreement also strengthened the bank's result and equity.

**Net interest income** (EUR 128.3m), which once again developed very positively against the backdrop of continued high interest rates, increased compared to the previous year (+16.8 %). The increase is characterised by positive earnings contributions for investments in non-interest-bearing portfolios, accompanied by lower interest expenses for pension provisions.

In addition, net maturity transformation is once again making a stable contribution to earnings and is well above expectations. Contributions from terms and conditions in customer business are also slightly above budget and the previous year. Unchanged against previous years, measures were also implemented this year which are expected to ease the burden on future results. To this end, IBB prematurely terminated several fixed-rate payer swaps with high current payment obligations.

**Net commission income** totalling EUR 21.2m is up by 22 % and well above the previous year's level and 4 % above budget. This increase is mainly due to cost reimbursements from the Federal State of Berlin for services rendered.

In addition to the distribution and granting of 'Berlin heating cost assistance', this continued to include the management and handling of Covid aid as well as the implementation of labour market promotion, which is co-financed with EU funds from the European Social Fund Plus. Net commission income also includes fees for processing guarantees and grants to promote real estate.

**Other operating net income/expenses** (EUR 62.7m) includes unchanged redemption amounts under sec. 2 of the Basic Agreement (EUR 15.0m) and ERDF grants totalling EUR 7.4m which are well below the previous year's figure (EUR 14.0m).

Adjusted for these two special effects, other operating net income/expenses (EUR 40.3m) was slightly below the previous year's figure (EUR 41.8m), but above the forecast (+4 %). This is significantly influenced by services rendered free of charge as part of IBB's funding and support activities on behalf of the Federal State of Berlin (Berlin-Beitrag) and cost reimbursements for the provision of services for the Federal State of Berlin.

### Development of earnings

| in EUR million   | 2023         | 2022         | Change      |             |
|--|--------------|--------------|-------------|-------------|
|  |              |              | absolute    | +/- in %    |
| Net interest income  | 128.3        | 109.9        | 18.4        | 16.8        |
| Net commission income  | 21.2         | 17.4         | 3.8         | 22.0        |
| Other operating net income/expenses                                    | 62.7         | 70.8         | -8.0        | -11.4       |
| <b>Operating result</b>  | <b>212.2</b> | <b>198.0</b> | <b>14.2</b> | <b>7.2</b>  |
| Administrative expenditure   | -147.1       | -131.7       | -15.4       | 11.7        |
| <b>Operating result before risk provisioning/<br/>valuation result</b> | <b>65.1</b>  | <b>66.3</b>  | <b>-1.2</b> | <b>-1.8</b> |
| Risk provisioning/valuation result                                     | -12.5        | -12.7        | 0.2         | 1.7         |
| <b>Economic result</b>   | <b>52.6</b>  | <b>53.6</b>  | <b>-1.0</b> | <b>-1.9</b> |
| Berlin contribution (including allocation to the Berlin Support Fund)  | -15.0        | -15.0        | 0.0         | 0.0         |
| <b>Net income for the year</b>   | <b>37.6</b>  | <b>38.6</b>  | <b>-1.0</b> | <b>-2.6</b> |

**Administrative expenditure**, which includes personnel and material expenditure as well as depreciation on fixed assets, increased steeply against the previous year to EUR –147.1m (+11.7%, previous year: EUR –131.7m).

Although personnel expenditure, which was already characterised by increased special effects in the previous year (inflation-related adjustment of pension provisions), fell significantly (EUR –69.3m, previous year: EUR –75.3m), they are still in line with expectations.

In contrast, however, material expenditure, the largest driver of administrative expenses (EUR –74.6m), increased by 38.2% compared to the previous year (EUR –54.0m). This increase in material expenditure is driven by a rise in IT costs (EUR –36.3m, previous year: EUR –23.1m). This resulted once again from considerable expenses in conjunction with processing the special audit in accordance with sec. 44 of the German Banking Act and the introduction of a new core banking system. Nevertheless, total material expenditure is slightly below forecast (–4%).

In the year under review, both net interest income and net commission income as well as administrative expenditure, adjusted by the bank's funding and promotional activities, impacted the performance indicator of **cost-to-income ratio before funding and promotional activities**. At 73%, the value calculated for this performance indicator for the year under review is slightly above the previous year's figure (70%) but is significantly better than expected (80%).

The cost-to-income ratio before funding and promotional activities corresponds to the ratio between administrative expenditure and operating revenues. The operating result includes the bank's interest and fee and commission income and services adjusted for funding and promotional activities. Administrative expenses are also taken

into account here, excluding funding and promotional activities and services.

In the year under review, **risk provisioning/valuation result**, including the formation of general provident funds according to sec. 340f of the German Commercial Code, totalled EUR –12.5m (previous year: EUR –12.7m). Reserves totalling EUR 22.1m were recognised in the year under review in accordance with sec. 340f of the German Commercial Code.

The main reason for the reduction is the clearly positive valuation result for our securities in the liquidity reserve (EUR +7.4m; previous year: EUR –11.7m), which is mainly due to reversals of losses from (approaching) maturities.

The trend in risk provisioning in lending business was also positive (EUR +2.2m; previous year: EUR –8.6m). In the year under review, it was possible to significantly reduce general allowances after adjusting the parameters for determining the probability of default as a result of the energy crisis. This is offset by an increase in specific valuation allowances in conjunction with the insolvency of a major project developer.

After deduction of the *Berlin-Beitrag*, the bank recorded **net income for the year** of EUR 37.6m (previous year: EUR 38.6m). From this amount, the repayment portion to be reinvested according to sec. 2 of the Basic Agreement (EUR 15.0m, previous year: EUR 15.0m) and the ERDF subsidies (EUR 7.4m, previous year: EUR 14.0m), which are also to be reinvested, must be deducted.

The resulting adjusted net income for the year, which is distributed in full to IBB Unternehmensverwaltung AöR, totals EUR 15.2m (previous year: EUR 9.6m) and is significantly higher than expected (EUR 8.5m).

Return on investment, i.e., the ratio between net income for the year and total assets, calculated as specified in sec. 26a (1), fourth sentence of the German Banking Act, totals 0.17 % (previous year: 0.19 %).

#### *IBB Business Team GmbH*

IBT covered its expenses in 2023 primarily through turnover totalling EUR 6,960,000 (previous year: EUR 5,119,000) and through grants totalling EUR 1,563,000 (previous year: EUR 1,424,000). Due to the growth of further funding programmes and the expansion of existing funding programmes with additional turnover, IBT closed the 2023 financial year with net income of around EUR 908,000 (previous year: EUR 839,000). Net income for the year corresponds to the forecast result. Profit carried forward from the previous year totalling EUR 1,900,000 (previous year: EUR 1,061,000) results in a retained profit of EUR 2,807,000 (previous year: EUR 1,900,000) in 2023.

Income was primarily offset by expenses for purchased services totalling EUR 718,000 (previous year: EUR 535,000), depreciation and amortisation of EUR 527,000 (previous year: EUR 340,000), personnel expenses of EUR 2,585,000 (previous year: EUR 2,145,000) and other operating expenses of EUR 3,639,000 (previous year: EUR 2,534,000). The increase in personnel expenditure and other operating expenses is mainly due to the takeover of new funding and promotional programmes and the expansion of existing funding programmes (ProNTI, ProVALID, SOP plugin solar devices).

#### *IBB Beteiligungsgesellschaft mbH*

The most important income item was income from agency agreements with the VC fund companies managed by IBB Beteiligungsgesellschaft (EUR 3,994,000, previous year: EUR 3,249,000). The most important expense items were personnel expenditure (EUR 2,552,000, previous year: EUR 2,457,000), expenses for rent and operating costs of EUR 122,000 (previous year: EUR 112,000) and expenses for licences (EUR 29,000, previous year: EUR 91,000).

All in all, a net loss for the year of EUR 1,531,000 was recorded (previous year: net profit of EUR 382,000). The net loss for the year was mainly the result of a one-off effect – the unscheduled valuation adjustment on the investment in VCFT totalling EUR 2,800,000. This was due to valuation adjustments for risk provisioning in the VCFT portfolio. The result was therefore significantly worse than planned. Excluding this one-off effect, the operating result of EUR 1,269,000 is well above budget. Taxes on income and earnings amount to EUR 43,000 (previous year: EUR 0).

#### *IBB Capital GmbH*

The increase in sales resulted from an adjustment to the agency agreement concluded with IBB (GBV IBB) and totalled EUR 1.4m (previous year: EUR 1.2m). GBV IBB fully covers the company's ongoing material and personnel expenses.

Personnel expenses increased from EUR 0.64m (2022) to EUR 0.68m in the 2023 financial year. Additional expenses were incurred for two employees seconded by IBB, which are settled via the separate agency agreement concluded with IBB on 8 December 2022 for the secondment of personnel. The secondment of one employee ended on 30 September 2023.

The start-up portfolio generated income totalling around EUR 4.3m in the past financial year mainly in the form of interest on convertible loans (approx. EUR 2.9m). According to the financing agreements with the start-ups, interest is due at the end of the term and has therefore not yet been paid – except in the case of early repayments or repayments on maturity. In the case of 27 conversions that took place in the financial year (previous year: 48), interest was also converted in 27 cases (previous year: 41) in accordance with the agreements. Contracts for certain exposures in the portfolio provide for conversions even without accrued interest.

The company generated interest income of around EUR 250,000 from liquidity management.

Regular provision of valuation-relevant information regarding the individual start-ups has been agreed with the co-investors. The reporting format used for the co-investors' feedback was fundamentally revised by the company in the spring of 2023 and expanded to include additional information relevant for the assessment of the business development of start-ups. IBB Capital checks the plausibility of the information and assessments provided by the intermediaries on the basis of the documents submitted and, if necessary, further findings and information on the portfolio sub-entities and makes its own risk assessment.

In the 2023 financial year, IBB Capital made new valuation adjustments totalling EUR 31.7m (2022: EUR 16.1m) for a total of 27 companies in the portfolio (previous year: 32).

For 17 of these companies (previous year: 18), 100 % valuation adjustment (totalling around EUR 23.0m) was necessary. In the case of 14 companies (previous year: 18), 100 % individual valuation adjustment was carried out due to insolvencies, liquidation resolutions or the discontinuation of operating activities. No reversals of losses were recognised. In the previous year, reversals of losses totalled around EUR 1.2m.

With acquisition costs of around EUR 157.8m, net valuation adjustments amount to around EUR 31.7m and are therefore already significantly higher than both the original expectations at the time the Covid aid programme was launched and the company's planning from September 2022.

Other operating expenses increased to EUR 3.8m in the 2023 financial year (previous year: EUR 2.3m). The main reasons for the increase are the necessary valuation adjustments and write-offs on interest receivables totalling EUR 138.0m (previous year: EUR 746,000) and

disposal losses from the sale of two investments totalling EUR 1.7m (previous year: EUR 1.2m). In addition, other operating expenses include the costs of seconding staff totalling EUR 293,000 (previous year: EUR 245,000) and legal and consulting costs totalling EUR 2,000 (previous year: EUR 70,000).

The company closed the financial year with a net loss of EUR –30.4m (previous year: EUR –13.5m). The net loss for the year was largely driven by defaults and valuation adjustments.

## Net worth

The IBB Group's net worth remains stable. As per 31 December 2023, total assets had increased by EUR 1.4bn to EUR 22.1bn.

| in million EUR                              | 31 Dec. 2023    | 31 Dec. 2022    | Change         |            |
|---|-----------------|-----------------|----------------|------------|
|   |                 |                 | absolute       | + / – in % |
| Loans and advances to banks                 | 2,800.1         | 2,050.1         | 750.0          | 36.6       |
| Loans and advances to customers             | 13,147.4        | 12,560.8        | 586.6          | 4.7        |
| Bonds and other fixed-income securities     | 4,821.8         | 4,968.9         | -147.1         | -3.0       |
| Stocks and other variable-income securities | 2.5             | 2.0             | 0.5            | 23.3       |
| Investments/shares in affiliated companies  | 159.4           | 138.3           | 21.2           | 15.3       |
| Other assets                                | 1,185.0         | 1,018.0         | 167.0          | 16.4       |
| <b>Total assets</b>                         | <b>22,116.3</b> | <b>20,738.1</b> | <b>1,378.1</b> | <b>6.6</b> |
| Financial guarantees                        | 131.6           | 140.1           | -6.4           | -4.6       |
| Irrevocable loan commitments                | 823.8           | 998.5           | -174.7         | -17.5      |
| <b>Business volume</b>                      | <b>23,071.7</b> | <b>21,876.7</b> | <b>1,195.0</b> | <b>5.5</b> |

As per 31 December 2023, equity according to the balance sheet totalled EUR 1,167.7m (previous year: EUR 1,131.6m).

The reported **total capital ratio** as per 31 December 2023 at IBB Group level amounted to 19.2 %.

| In million euro/in % | 31 December 2023* | 31 December 2022** |
|----------------------|-------------------|--------------------|
| Total risk (RWA)     | 6,677.6           | 6,539.5            |
| Own funds            | 1,279.7           | 1,285.8            |
| Total capital ratio  | 19.2 %            | 19.7 %             |
| Core capital ratio   | 19.2 %            | 19.7 %             |

\* Values before implementation of the resolution on the appropriation of profit

\*\* Reporting as per 31 December 2022 was retroactively adjusted as a result of the implementation of the resolution on the appropriation of profits 2022

### Investitionsbank Berlin

IBB's net worth is sound and as per 31 December 2023 is made up as follows:

| In million EUR                          | 31 Dec. 2023    | 31 Dec. 2022    | Change         |            |
|---|-----------------|-----------------|----------------|------------|
|   |                 |                 | absolute       | +/- in %   |
| Loans and advances to banks             | 2,800.1         | 2,050.1         | 750.0          | 36.6       |
| Loans and advances to customers         | 13,358.1        | 12,764.0        | 594.1          | 4.7        |
| Bonds and other fixed-income securities | 4,821.8         | 4,968.9         | -147.1         | -3.0       |
| Other assets                            | 1,129.1         | 942.8           | 186.2          | 19.8       |
| <b>Total assets</b>                     | <b>22,109.2</b> | <b>20,725.9</b> | <b>1,383.3</b> | <b>6.7</b> |
| Contingent liabilities                  | 131.6           | 138.0           | -6.4           | -4.6       |
| Irrevocable loan commitments            | 827.6           | 997.3           | -169.8         | -17.0      |
| <b>Business volume</b>                  | <b>23,068.4</b> | <b>21,861.3</b> | <b>1,207.1</b> | <b>5.5</b> |

In the year under review, **total assets** increased significantly as expected and, at EUR 22.1bn, were up 6.7 % against the previous year. The background to this is renewed strong demand for funding and promotional products and the associated increase in financing commitments along with significantly lower unscheduled repayments.

The volume of **loans and advances to banks** increased by 36.6 % to EUR 2.8bn. This is due to the fact that cash and cash equivalents in excess of the minimum reserve requirement are no longer invested directly in the Bundesbank account, but in the daily settled deposit facility at Deutsche Bundesbank (and is therefore carried in the balance sheet under receivables from banks).

**Loans and advances to customers** increased slightly by EUR 0.6bn against the previous year and now total EUR 13.4bn. This significant increase is primarily due to growth in real estate and urban development (+EUR 0.4bn).

As per 31 December 2023, **equity according to the balance sheet** including retained profit totalled EUR 1,164.8m (previous year: EUR 1,136.8m). In addition to the current net income for the year, the main reason for the change is the reinvestment of EUR 29.0m in the bank's special purpose reserve.

The decrease in the **total capital ratio** in 2023 is mainly due to the increase in risk assets. This continues to reflect the bank's sound capital position which is appropriate for the promotional and development activities and is even slightly above expectations.

### Overall risk value and capital ratios

| In million euro/in % | 31 December 2023* | 31 December 2022** |
|----------------------|-------------------|--------------------|
| Total risk (RWA)     | 6,646.2           | 6,514.4            |
| Own funds            | 1,323.1           | 1,329.3            |
| Total capital ratio  | 19.9 %            | 20.4 %             |
| Core capital ratio   | 19.9 %            | 20.4 %             |

\* Preliminary values before implementation of the resolution on the appropriation of profit

\*\* Reporting as per 31 December 2022 was retroactively adjusted as a result of the implementation of the resolution on the appropriation of profits 2022

The principles of reasonable capital adequacy and liquidity pursuant to the German Banking Act were fulfilled at all times.

### *IBB Business Team GmbH*

IBT's asset situation is sound. Total assets amount to around EUR 9,825,000 (previous year: EUR 8,101,000).

The assets side of the balance sheet is dominated by bank balances totalling EUR 8,757,000 (previous year: EUR 6,900,000), licences to industrial property rights totalling EUR 682,000 (previous year: EUR 784,000), trade receivables totalling EUR 183,000 (previous year: EUR 0,000) and other assets totalling EUR 158,000 (previous year: EUR 171,000).

The liabilities side is determined by other liabilities totalling EUR 5,536,000 (previous year: EUR 5,236,000), trade payables totalling EUR 68,000 (previous year: EUR 63,000), provisions totalling EUR 290,000 (previous year: EUR 156,000), prepayments received totalling EUR 96,000 (previous year: EUR 84,000) as well as special items for investment grants of around EUR 427,000 (previous year: EUR 63,000) and equity of EUR 3,407,000 (previous year: EUR 2,500,000). The increase in the special item for investment grants is due to the take-over or expansion of funding programmes and the associated investments in the electronic application and processing system. Other liabilities consist primarily of liabilities from advance payments of funds totalling EUR 4,854,000 (previous year: EUR 4,420,000), liabilities from funding totalling EUR 43,000 (previous year: EUR 67,000), liabilities from grants under the Berlin-Brandenburg Business Plan Competition (BPW) totalling EUR 399,000 (previous year: EUR 399,000) and unused IBB grants from 2023 totalling around EUR 57,000 (previous year: EUR 96,000).

In 2023, unused grants from previous years totalling EUR 96,000 (previous year: EUR 272,000) were returned to IBB.

### *IBB Beteiligungsgesellschaft mbH*

As per 31 December 2023, cash and cash equivalents totalled EUR 7,877,000 (previous year: EUR 8,071,000). Liabilities totalled EUR 1,007,000 (previous year: EUR 58,000) and result largely from a reimbursement claim by VCFT and VCFK for agency services. An undrawn credit line with Berliner Sparkasse amounts to EUR 500,000.

The equity ratio as per 31 December 2023 was around 98 % (previous year: 99 %). The capital reserve of IBB Beteiligungsgesellschaft remained unchanged in the 2023 financial year.

The investment portfolio under management (in the divestment phase: disinvestment phase payments into funds minus sales of investments and insolvencies, excluding fund generation in the investment phase) as the main variable basis for calculating remuneration from management services totalled EUR 95,302,000 as per 31 December 2023 (previous year: EUR 90,384,000). The investment portfolio in the disinvestment phase will be gradually reduced over the next few years. This will be offset by rising income from remuneration for the new generation of funds. The most important income item was income from agency agreements with the VC fund companies managed by IBB Beteiligungsgesellschaft (EUR 3,994,000, previous year: EUR 3,249,000).

### *IBB Capital GmbH*

IBB Capital did not make any new commitments in new business under the Covid aid programmes in the 2023 financial year. The commitments made up to 30 June 2022 totalling around EUR 160.5m were processed further as part of portfolio management in the past financial year. Of the commitments made by the company until mid-2022, a total of around EUR 1.3m was made available again in the past financial year.

In the financial year, 27 convertible loans (2022: 48) at 16 companies with a total volume of around EUR 18.0m (2022: EUR 24.9m) were converted. Net valuation adjustments in the financial year amount to around EUR 31.7m and are therefore significantly higher than both the original expectations when the Covid aid programme was launched and the company's planning for the 2023 financial year from September 2022.

Due to disposals (repayments of convertible loans and exits) as well as defaults and valuation adjustments in the portfolio, financial assets fell to EUR 97.8m (previous year: EUR 132.5m). The increase in other assets to EUR 5.2m (previous year: EUR 3.0m) is largely due to capitalised interest from loans (convertible loans). Cash and cash equivalents totalling EUR 9.4m remained almost unchanged compared to the previous year (2022: EUR 9.3m). As in previous years, the company is fully financed by equity.

No investments have yet been made in the TA programme in the 2023 financial year. The follow-up programme to the Covid aid programme originally planned for 2023 has also been delayed. The launch of this new programme under the name 'BerlinInno Growth' (BIG) is now planned for the end of Q1/2024.

As the shareholder, IBB UV did not allocate any further funds to IBB Capital in the 2023 financial year. Total assets decreased as planned due to derecognition and capital withdrawals by the shareholder totalling around EUR 1.8m.

IBB Capital closes the 2023 financial year with total assets of EUR 112.6m (previous year: EUR 144.9m).

## Financial position

Despite a market environment that remains very difficult and challenging, the IBB Group's liquidity and refinancing situation was in good order.

The IBB Group's liquidity was always guaranteed via IBB in the year under review. The refinancing guarantee from the Federal State of Berlin enables IBB to obtain sufficient liquidity on the money and capital markets at any time. Necessary liquidity is essentially procured through overnight and term money transactions, securities repurchase agreements and the issuance of bonds. IBB also maintains a portfolio of highly liquid ECB-eligible securities and promissory notes.

### Investitionsbank Berlin

In the 2023 financial year, IBB was able to achieve its refinancing targets in terms of volume, maturity and structure by making diversified use of its financing options. Both the refinancing guarantee of the Federal State of Berlin and its role as sole shareholder of IBB Unternehmensverwaltung and hence also indirectly of IBB helped to ensure that IBB was at all times able to obtain sufficient liquidity on money and capital markets at a reasonable price.

A second social bond with a volume of EUR 500m and a term of five years was issued in 2023, which was in high demand from investors.

The structure of the refinancing side once again changed slightly against the previous year. Liabilities to banks totalled EUR 4.1bn (previous year: EUR 5.1bn), corresponding to a share of 19 % (previous year: 24 %). The share of securitised liabilities was further expanded and increased from EUR 9.8bn to EUR 11.7bn, corresponding to a share of 53 % (previous year: 47 %).

Refinancing funds received from customers, which include, for instance, funds made available by the Federal State of Berlin for housing support programmes totalled EUR 3.6bn (previous year: EUR 3.4bn) or 16 %, respectively, hence remaining stable.

Liquidity was generated in the year under review by activities on the money market and by issuing capital market instruments with a volume of EUR 3.5bn (previous year: EUR 2.9bn).

Both the course of business as well as the bank's income position, net worth and financial position were satisfactory in the 2023 fiscal year.

### IBB Business Team GmbH

IBT's economic situation is predominantly characterised by its function as a provider of funding and promotional measures for IBB and the Federal State of Berlin. In doing so, IBT only acts on the basis of agency agreements. It receives the planned expenses for the implementation of the measures either from grants from IBB (*Berlin-Beitrag IBB*), which are made available in advance according to the needs of the following two months, or against invoice directly to the commissioning senate administrations. There are no risks from project funding where costs are reimbursed retrospectively.

The economic objective is at least cost-covering implementation plus a targeted return on turnover of (prospectively) 3 to 5 %. Relevant key performance indicators (financial performance indicators) are the level of expense coverage (turnover, including other operating income/expenses) and return on turnover (percentage of turnover, including other operating income minus all costs – but before income taxes).

Expense coverage in 2023 totalled 117 % (previous year: 122 %), while the return on turnover before taxes totalled 15 % (previous year: 18 %).

Furthermore, the liquidity of the company must be ensured at all times. This is carried out on the basis of absolute liquidity (bank balances) with a minimum base amount of EUR 50,000. The company had sufficient liquidity at all times during the financial year to meet its contractual obligations. Liquidity was ensured at all times. Due to the affiliation with the IBB Group, liquidity risks do not exist.

### IBB Beteiligungsgesellschaft mbH

The company met all its payment obligations in the financial year. The overall situation of the company is good.

### IBB Capital GmbH

IBB Capital is fully financed by equity, with payments into the company's capital reserves made by the shareholder in several tranches up to the end of 2022. Furthermore, IBB bears the ongoing personnel and material costs of the company through the agency agreement concluded with IBB Capital. The company thus had sufficient liquidity at all times during the financial year to meet its liabilities. Due to the resolutions passed by IBB and IBB UV on the funding of IBB Capital and the agency agreement concluded with IBB for programme management, the company's required liquidity is also secured for the future.

# Report on forecasts, opportunities and risks

## *Report on forecasts and opportunities*

The report contains forecast statements regarding the development of the economy, the course of promotional business and the Group's net assets and financial position as well as its income position. The statements are based on expectations and assumptions that are based on the information available at the time of preparation. In addition to opportunities, they also include risks and uncertainties that are beyond the Group's control. These include, in particular, the development of energy and consumer prices, economic developments and the situation on the financial markets. Demand for the individual funding programmes is strongly influenced by the economic situation, interest rate developments as well as housing policy, which will be discussed below. The events that will in fact occur in the future may differ from the statements, expectations and assumptions made here.

Information on events after the balance sheet date can be found in the notes.

## *Overall economic conditions*

In terms of the economy, the ECB's very rapid interest rate hikes have certainly slowed things down. The central bank felt compelled to dampen demand with high interest rates due to the double-digit price increases that had taken place. Within a few months, the deposit rate, which is important for banks, was raised to 4.0%. As a result, the economy lost considerable momentum. Ideally, the central bank is hoping for a mild recession in order to move consumer prices

back towards the 2% target. In the third quarter of 2023, private consumption in Germany had already fallen by 0.3% compared to the previous quarter and the harmonised inflation rate had already fallen to 2.3% in November.

The dilemma for the ECB in 2024 remains, i.e., that although inflation is moving towards the target value, this could ultimately stifle the economy too much. In a price environment distorted by spikes in energy and food prices, the core rate adjusted for energy and food is better suited to show the underlying price trend. This still stood at 4.2% in November. It is unlikely that inflation will quickly reach the target level of 2% in 2024 either, as higher wage settlements are likely to trigger second-round effects. However, in the current weak economic environment, they are unlikely to stabilise. Consumer prices in the eurozone are expected to rise by an average of 2.5% in 2024, but GDP growth is likely to stagnate at 0.3%.

In this environment, Berlin's economy, and in particular the construction and real estate sector, is also slowing down considerably. High interest rates have been transferred to mortgage interest rates, with effective interest rates for a ten-year mortgage now as high as around 4%. High interest rates for construction are also slowing down residential construction because the financing of many construction projects has proved to be no longer sustainable and abandoned by property developers. What's more, the number of building permits has already fallen continuously since 2016, which is why in total fewer apartments are likely to be completed in 2024. Since demand for skilled workers in many sectors in Berlin cannot be met from the domestic labour market alone, Berlin will continue to attract well-educated people from all over the world. Demand for

housing and the pressure on the housing market are thus likely to remain high in 2024 too.

High interest rates are also reducing investment activity in other areas. In addition to the construction industry, this primarily affects industry and start-up financing, where VC investors are withholding their financing and increasingly scrutinising business plans for their profitability. In the first half of 2023, venture capital for start-ups more than halved to a total of EUR 1.4bn. Nevertheless, around 50 % of German VC funds were once again invested in the metropolis on the Spree. Loan defaults could increase in 2024 as a result of the sharp rise in interest rates. This would affect property developers, project developers and property brokerage portals for commonhold apartments. Commercial property portfolios could also be affected by defaults if the companies leasing them, for instance, in the hospitality or specialist retail sectors, are forced to close.

Nevertheless, Berlin is very well positioned overall with the joint innovation strategy shared by several federal states. Particularly the five innovative clusters jointly defined with Brandenburg – ICT, media and creative industries; healthcare industry; energy technology; transport, mobility and logistics; optics and phonics – are opening up opportunities in new markets in the medium term despite the current burdens. The energy price crisis, for instance, is opening up a window for investments by established companies in new, future-proof and green energy supply concepts. The current crisis is therefore also a catalyst and will significantly accelerate developments that have already been planned, and will fuel the development of new, innovative solutions. Berlin already has an established start-up ecosystem that can find answers to these challenges. In 2024, the IBB Group will support the promotion of these new innovative approaches in the same way as traditional SME financing.

The fight against climate change, demographic development and the growing inequality between rich and poor will continue to be important issues in the coming years. These topics are playing an increasingly important role in the product portfolio of the promotional bank of the Federal State of Berlin. For the IBB Group, therefore, there will be many starting points and opportunities in the coming years to accompany and advance these social and economic developments.

For the **2024 financial year**, the IBB Group will focus strongly on optimising its product portfolio and expanding its service function for the Federal State of Berlin. In addition, the consolidation of the investment portfolio is being driven forward, for instance, through the subsequent utilisation of companies with largely discontinued operating activities ('shelf companies').

The transformation to the 'Impact' Group will continue to be a strong focus alongside digitalisation through the further development of our sustainability strategy and the implementation of a climate strategy.

Based on current financial year planning, the IBB Group forecasts a constant **volume of new business** of around EUR 2.2bn p.a. (comparable with the previous year), with Investitionsbank Berlin accounting for 96 % of financing commitments.

In the further course of business, both the operating result and the economic result are expected to increase significantly against the previous year's levels. The **operating result** which is mainly influenced by Investitionsbank Berlin is forecast at around EUR 239m. On the other hand, the coming year will see increased **administrative expenses** with Investitionsbank Berlin once again accounting for the lion's share.

Due to a slight increase in risk assets as a result of a planned balance sheet expansion, the IBB Group expects a slightly declining total capital ratio compared to the previous year. The **core capital ratio** of the Group will develop similarly at around 19 %.

This development is significantly shaped by Investitionsbank Berlin, IBB Capital GmbH, IBB Beteiligungsgesellschaft mbH and IBB Business Team GmbH. For this reason, key aspects of the business development of the four companies are taken from the respective management reports as per 31 December 2023.

### **Investitionsbank Berlin**

Thanks to its specific promotional mandate, the bank will continue to play a decisive role in Berlin's development in the future, particularly with regard to promoting the economy, infrastructure and housing.

In the coming year, one focus of promotional business will be on supporting transformation projects. The bank is constantly reviewing how it can improve existing and new funding and promotional products in order to support sustainable funded projects even more effectively. Plans are in place, for instance, to increase support in 2024 for companies looking to reduce their CO<sub>2</sub> emissions.

In the field of **real estate and urban development**, we expect to see new business in the coming financial year up slightly against the previous year. This is primarily due to the provision of extensive financing commitments for new school buildings.

Due to the ongoing tense situation on the housing market and the continuing demand for affordable housing, financing new residential construction will continue to be a central focus of IBB's business activities in the coming financial year. Particular attention is paid to supporting municipal housing companies, co-operatives and private

investors in the provision of affordable rented apartments, financed by funds from the new housing construction fund. IBB plans to further strengthen funding by the federal state through additional funding programmes.

In the area of **business development**, we assume (setting aside special transactions) a development similar to the previous year.

Loans and guarantees for replacement and expansion investments by Berlin-based companies will continue to account for the largest share of financing commitments. The highest volumes of new business are expected particularly in the 'IBB Growth', 'Berlin Infra' and 'Pro FIT' programmes.

In 2024, IBB will continue to be a central contact for start-up and micro finance within the framework of the SME Fund for small and innovative enterprises. All in all, we expect demand for the grant programmes to remain solid, but we will not be able to match the figures of previous years.

The common-task (GRW) grant programme 'Improving regional business structures' will remain Berlin's most important regional policy instrument for creating and securing permanent jobs through business investment. At the same time, the 'ProFIT' grant programme will continue to play a key role as a central instrument for financing research, development and innovation projects.

Municipal lending business with local authorities has developed very positively. We are forecasting continued lively momentum in new business in 2024.

After approvals were granted in almost all funding instruments for labour market promotion in 2023, demand is forecast to be around EUR 30m in 2024.

Overall, the forecast increase in new commitments in these business areas is expected to lead to a significant rise in the **volume of new business** compared to the previous year.

In the context of economic policy developments, IBB expects a stable **economic result** for 2024 compared to the previous year that will largely remain at the same level.

**Net interest income** will be significantly influenced by the turnaround in interest rates and the expected yield curve of the economy. This applies in particular with regard to the now profitable investment of equity and the positive contribution to earnings from interest rate changes for pensions. As a result, IBB is expected to generate net interest income for 2024 that is once again significantly higher than in the previous year.

**Net commission income** is again expected to be significantly higher than in the previous year, mainly due to the expected high reimbursement of costs by the federal state for the provision of services, particularly in conjunction with Covid emergency aid and labour market promotion business.

Compared to the previous year, **administrative expenses** are forecast to increase significantly in 2024 compared to the previous year. The bank is also planning a considerable number of new hires in various areas in the coming year, which will lead to a strong increase in personnel costs. The planned new hires are necessary, for instance, for management of services for the Federal State of Berlin, but to a large extent also for the implementation of ever new regulatory requirements. In addition, for demographic reasons, there will be a temporary duplication of positions.

Material expenses are also expected to rise sharply, mainly due to high project expenses in conjunction with the introduction of a new core banking system. In addition, considerable expenses are expected for adapting to regulatory requirements.

With the expected increases in administrative expenses, the **cost to income ratio before funding and promotional activities** is expected to rise significantly to around 80 % in the coming year.

The **core capital ratio** will be used as a key performance indicator at IBB for the first time in 2024 and is expected to be 19.4 %. The total capital ratio will be used for the last time in 2024 and is forecast at 19.4 %.

In the context of its operational planning, IBB expects **risk provisioning** and the valuation result including provisions to remain at the same level in the coming year.

**Total assets** will increase significantly in the coming year due to potential special transactions with the Federal State of Berlin. The total capital ratio is expected to be at a similar level in 2024 as at the end of 2023. Due to its consistently very good **IBB rating**, the bank expects that it will continue to be able to obtain the necessary refinancing funds without any problems on the capital market.

Contrary to the planned results for the 2024 financial year, further **opportunities** and **risks** for IBB's business development could arise due to changes in the economic environment, in particular from interest rate trends.

A significant rise in interest rates is one **risk**. This could lead to increased loan defaults in business funding and promotion as well as in real estate and urban development. Increases in interest rates could tend to have a negative impact on the valuation result and the cost-to-income ratio of funding and promotional measures in the short term, but IBB would benefit from further increases in interest rates in the longer term.

A worsening economic and political environment would also result in new business volumes below plan as well as higher valuation adjustments.

**Opportunities** arise from improvements in the creditworthiness of the exposures which would lead to an overall lower allocation of economic capital for counterparty default risks. This could lead to improved business opportunities with additional earnings potential.

In this context, opportunities also arise during the determination of expected losses already factored into planning, taking into

account probabilities of default and loss rates. There is a possibility that the defaults that actually occur will be less than expected. In these cases, higher allocations could be made to the reserves, thus strengthening cover funds and risk-bearing capacity.

The expansion of the bank's technical infrastructure opens up additional opportunities. The implementation of a new core banking system will lead to increased standardisation, which will optimise and improve processes. In future, for example, proof of utilisation audits is to be mapped digitally. Overall, this will make customer interaction more targeted, increase customer satisfaction and boost efficiency.

Additional opportunities also arise from the various funding programmes. Funding for new school construction will ensure an improved school infrastructure and high-quality education. The SME funds also support start-up and microfinancing, which helps to strengthen the economy. By continuously adapting its funding and promotional products to the needs of companies, IBB is helping to transform Berlin's economy in terms of digitalisation, innovation and sustainability.

Similar to the current financial year, the assumption of unscheduled mandates from the Federal State of Berlin could lead to additional earnings potential and thus strengthen the expected economic result.

### IBB Business Team GmbH

The exercise of IBT's function as a provider of funding measures and their economic viability are assessed as assured. IBT provides services for IBB on the basis of agency agreements. The prices for the services are calculated in advance for up to three years and invoiced to IBB on a quarterly basis.

Operational risks are assessed as low due to the many years of experience in implementing funding measures and in services. In individual cases, friction could arise due to unscheduled departures of experienced employees.

There are no significant counterparty risks. Market price risks do not exist due to IBT's business model.

In order to identify risks, a risk management system has been implemented that includes the preparation of business plans in consultation with the Supervisory Board, qualitative and quantitative monthly reporting, including plan/actual comparisons to the shareholder, as well as quarterly qualitative assessments of selected operational risks based on defined criteria in a standardised form.

IBT has established itself as a flexible service provider for IBB and the Federal State of Berlin. IBT has, in particular, developed a unique selling proposition through Internet-based and complete digital mapping in the application and management of funding programmes. IBT is hence also expected to be commissioned by IBB and the Federal State of Berlin to implement an expected three new funding programmes in 2024 on the same basis and with secured funding.

Furthermore, IBT still has the opportunity to take over the implementation of further funding measures on an identical basis and with secured funding from IBB or the Federal State of Berlin in subsequent years.

In the next financial year, IBT will continue the existing funding and promotional programmes, projects and measures as well as the existing services in the same way and to the same extent as in the year under review.

This does not include the Digital Premium Berlin (DPB 2) and Turning Assistant Berlin (AAS) funding programmes which will be wound up during the course of the next financial years.

Furthermore, plans already exist to take over the implementation of two new funding programmes and to significantly expand an existing programme in 2024. Significant increases are therefore expected in the main income items (turnover, income from grants) and expense items (expenditure on services purchased, personnel expenses, other operating expenses).

For numerous funding and promotional programmes, the agency agreements and the cost calculations, including remuneration, are to be renegotiated as of 1 January 2024. On 14 December 2023, the Berlin House of Representatives adopted the budget and the budget plan for the years 2024 and 2025. The ruling by the Federal Constitutional Court in Karlsruhe on 15 November 2023 on the invalidity of the reallocation of Covid funds to climate funds led to delays in the implementation of the budget already adopted in the Federal State of Berlin, so that the relevant Senate administrations have no basis for negotiating and signing the agency agreements with us.

As a result, we forecast that IBT will generate a positive operating result of at least around EUR 61,000 in the next financial year.

Against this background, the level of expense coverage is forecast at 101 % and the pre-tax return on turnover at 1 % as relevant key performance indicators.

### IBB Beteiligungsgesellschaft mbH

The activities of IBB Beteiligungsgesellschaft will continue to focus on agency services for the VC fund companies.

The development of the investment portfolios of the three VC fund companies may affect the balance sheet valuation of the three VC fund companies in the financial statements of IBB Beteiligungsgesellschaft in the future. The opportunities and risks of the VC fund companies' investment portfolios may therefore also impact the development of IBB Beteiligungsgesellschaft in the future. With regard to IGSW, whose business continues to be managed by Investitionsbank Berlin, there are no devaluation risks due to their irrelevant book value. No income is expected from this exposure.

Revenues will therefore be generated in the future almost exclusively through remuneration for agency services.

No depreciation on financial assets is planned for 2024. Other income and expenditure items are subject to only minor planning uncertainty. No significant deviations are to be expected here.

Income from agency services in the 2024 financial year will be slightly higher due to the launch of the new fund generations. In subsequent years, income is expected to fall slightly overall due to the decline in the portfolio during the divestment phase. Although expenses will increase slightly, positive results are still expected. From today's perspective, the 2024 result will be clearly positive and above the previous year's result.

### IBB Capital GmbH

The investment phase of the 'Covid aid for start-ups' programme was already completed in 2022. In the 2023 financial year, the

company had no financial resources for (follow-up) financing in the existing portfolio. As part of portfolio management, IBB Capital's investment and financing portfolio under this programme will continue to be managed by the company in the coming year.

The Federal State of Berlin will participate with the IBB Group in the programme launched by KfW under the name 'BerlinInnoGrowth' (BIG). For the three years of the programme (2024 to 2026), a total of EUR 35m in public funding will be available for equity investments, of which EUR 30m will come from KfW and EUR 5m from the Federal State of Berlin/IBB. A further minimum of EUR 15m will come from private sources via intermediaries. The programme is scheduled to start at the end of Q1/2024. Operational implementation of this programme in the IBB Group will be carried out by IBB Capital.

To implement the programme, IBB Capital is to receive new equity of up to EUR 15m via its shareholder in 2024 to ensure that the existing portfolio from the Covid programme can continue to be managed in a manner that safeguards interests. IBB Capital expects to invest up to EUR 15m from its own funds (together with co-investors and their funds) primarily and selectively in high-growth and high-potential companies from the existing Covid portfolio.

In addition, the 2024 **Turnaround programme** is to start in 2024 and use the EUR 5m in funds already made available by the Federal State of Berlin at the end of 2022 (together with co-investors to be accredited and their funds) to invest in SMEs capable of restructuring. It is planned that the Federal State of Berlin will provide a further EUR 5m for the the TA programme in 2024/2025 for equity investments in SMEs capable of restructuring, which will in turn be paid into IBB Capital's capital reserves via the shareholder.

Due to IBB Capital's business model for equity financing of start-ups and SMEs in need of restructuring as well as the tense overall

economic situation, demand for programme funds from start-ups and SMEs is to be expected to be high. However, this business will not generate any annual net income for the company in the short term. This income would only be achieved in the event of significantly successful exits by several start-ups-ups from the Covid aid programmes and the BIG programme or if exits following successful reorganisations in the TA programme were completed and these exceeded the volume of defaults and impairments. However, it is currently assumed that this income will only partially compensate for the losses already realised and those still expected.

Due to the generally tense economic situation with multiple economic and political crises as well as high interest rates, further losses on disposals and defaults in the portfolio and a need for valuation adjustments are also expected for 2024, which will be significantly higher than the original assumptions when the Covid aid programme was launched. The need for valuation adjustments will be slightly below the previous year's level, meaning that a deficit in the order of the previous years is again expected for 2024.

For the 2024 financial year, IBB Capital is planning new programme funds of up to EUR 15m from the BIG programme and additional funds of EUR 3m from the TA programme, which will be available for the company's new business.

The BIG funds are to be fully invested in new business in the form of equity or equity-like financing in the company's existing portfolio. The planned new business volume of EUR 15m takes into account the current situation for start-ups in Berlin, the changed, selective business approach in the BIG programme and the financing situation of IBB Capital's portfolio companies.

There is still a lack of experience in the TA programme. It can be assumed that Berlin's SMEs have also been affected by the impact of

the multiple crises of recent years. Based on conservative planning, the company therefore expects to invest TA funds of up to EUR 7.5m as equity in the 2024 financial year.

For the coming year, downside risks remain high because Berlin cannot fully escape the deteriorating economic conditions. General economic development with multiple economic and political crises, in particular the continuing effects of high energy prices, increased interest rates, a growing shortage of skilled labour and the general reluctance to invest will continue to weigh on companies and slow down the economy in 2024. On the other hand, the anticipated positive effects of the intended sustainable ecological restructuring of the economy have not materialised to the extent expected. Berlin's start-up landscape will not be able to decouple itself from these developments.

**In conclusion**, the Management Board once again expects to see solid business performance, a constant economic result and a stable asset and financial position for the IBB Group in the 2024 financial year.

## Credit risk

Lending business focuses on IBB's business in the Berlin region in accordance with the bank's promotional mandate. The bank's credit risks result primarily from funding to promote real estate and business development.

The development loans covered by public guarantees and loans not at IBB's risk (e.g. federal state funds) only result in insignificant counterparty risks for IBB Bank due to commission or fee payments. These are nevertheless subject to the credit risk management process.

## The risk situation in summary

Measures were taken by the IBB Group to limit or minimise all significant risks. Lending risks were taken into account by forming impairments within the scope of risk provisioning. The capital held is sufficient to cover all risks.

Due to the portfolio of highly liquid securities, the IBB Group's liquidity was ensured at all times during the 2023 financial year.

During the period under review, the IBB Group adhered to the regulatory requirements for capital adequacy. The utilisation of the total capital ratio according to the Capital Requirements Regulation (CRR) totalled between 19.1 % and 19.8 % and was hence significantly higher than the required level.

Utilisation of the overall risk limit ranged between 43.4 % and 47.6 % in the year under review. The relevant changes in the risk management system and the market environment described in the section titled 'Risk-bearing capacity strategies' were the reasons for the changes in utilisation.

Berlin, 22 February 2024

## Probabilities of default according to the DSGVO master scale in %

| Rating class           | 1–5   | 6–11       | 12–15       | 16–18   | Not rated |
|------------------------|-------|------------|-------------|---------|-----------|
| Probability of default | < 0.4 | 0.6 to 4.4 | 6.7 to 45.0 | Default | 5.0       |

## Loans at risk at IBB Bank by segment and rating class in EUR million

| Segment/rating              | 1–5             | 6–11           | 12–15       | 16–18        | Not rated   | Total           | mCVaR        |
|-----------------------------|-----------------|----------------|-------------|--------------|-------------|-----------------|--------------|
| Business development        | 4,099.4         | 383.6          | 18.1        | 45.2         | 16.5        | 4,562.8         | 45.4         |
| Rental housing              | 7,385.8         | 491.9          | 5.9         | 165.0        | 63.1        | 8,111.7         | 181.7        |
| Property ownership measures | 52.8            | 158.9          | 4.3         | 5.7          | 0.9         | 222.7           | 3.0          |
| <b>Utilisation Total</b>    | <b>11,538.0</b> | <b>1,034.4</b> | <b>28.4</b> | <b>215.9</b> | <b>80.5</b> | <b>12,897.2</b> | <b>230.0</b> |
| in %                        | <b>89.5</b>     | <b>8.0</b>     | <b>0.2</b>  | <b>1.7</b>   | <b>0.6</b>  | <b>100.0</b>    |              |
| <b>(marginal) CVaR</b>      | <b>187.4</b>    | <b>37.0</b>    | <b>3.0</b>  | <b>0.0</b>   | <b>2.7</b>  | <b>230.0</b>    |              |
| in %                        | <b>81.5</b>     | <b>16.1</b>    | <b>1.3</b>  | <b>0.0</b>   | <b>1.2</b>  | <b>100.0</b>    |              |

The credit risk, measured as marginal credit value at risk (mCVaR), increased from EUR 179.5m in the previous year to EUR 230.0m. The increase is mainly due to the decline in the yield curve.

## Loans not at risk at IBB Bank by segment and rating class in EUR million

| Segment/rating              | 1–5            | 6–11         | 12–15       | 16–18       | Not rated    | Total          |
|-----------------------------|----------------|--------------|-------------|-------------|--------------|----------------|
| Business development        | 28.7           | 1.4          | 0.7         | 1.6         | 103.6        | 136.1          |
| Rental housing              | 1,581          | 3,353.3      | 9.4         | 32.0        | 206.8        | 2,364.8        |
| Property ownership measures | 2.5            | 3.4          | 0.4         | 0.4         | 0.2          | 7.0            |
| <b>Utilisation</b>          | <b>1,612.5</b> | <b>540.0</b> | <b>10.5</b> | <b>34.0</b> | <b>310.6</b> | <b>2,507.8</b> |
| in %                        | <b>64.3</b>    | <b>21.5</b>  | <b>0.4</b>  | <b>1.4</b>  | <b>12.4</b>  | <b>100.0</b>   |

The volume of loans not at risk at IBB Group increased from EUR 2,450.3m in the previous year to EUR 2,507.8m.

# Consolidated balance sheet as per 31 December 2023

| Assets In EUR 1,000  | Notes | 31 December<br>2023 | 31 December<br>2022 |
|--|-------|---------------------|---------------------|
| <b>1. Cash</b>   |       | <b>16,422</b>       | <b>10,485</b>       |
| a) Balances with central banks   |       | 16,422              | 10,485              |
| With Deutsche Bundesbank   |       | 16,422              | 10,485              |
| <b>2. Loans and advances to banks</b>  |       | <b>2,800,140</b>    | <b>2,050,101</b>    |
| a) Payable on demand   |       | 1,035,608           | 502,300             |
| b) Other loans and advances  | (6)   | 1,764,531           | 1,547,801           |
| <b>3. Loans and advances to customers</b>  | (7)   | <b>13,147,352</b>   | <b>12,560,769</b>   |
| of which: Secured by liens   |       | 5,608,255           | 5,426,709           |
| of which: Public-sector loans  |       | 5,204,618           | 4,758,995           |
| <b>4. Bonds and other fixed-income securities</b>  | (8)   | <b>4,821,843</b>    | <b>4,968,947</b>    |
| a) Money market paper  |       | 283,691             | 187,714             |
| aa) Issued by public institutions  |       | 283,691             | 187,714             |
| Including: eligible as collateral at Deutsche Bundesbank   |       | 259,090             | 89,054              |
| b) Bonds and notes   |       | 4,494,584           | 4,775,221           |
| ba) Issued by public institutions  |       | 717,198             | 689,923             |
| Including: eligible as collateral at Deutsche Bundesbank   |       | 717,198             | 689,923             |
| bb) from other issuers   |       | 3,777,386           | 4,085,298           |
| Including: eligible as collateral at Deutsche Bundesbank   |       | 3,490,152           | 3,636,337           |
| c) Own bonds   |       | 43,569              | 6,012               |
| Nominal amount   |       | 54,100              | 6,000               |
| <b>5. Stocks and other variable-income securities</b>  | (9)   | <b>2,464</b>        | <b>2,000</b>        |
| <b>6. Investments</b>  | (9)   | <b>159,442</b>      | <b>138,232</b>      |
| <b>7. Shares in affiliated companies</b>   | (9)   | <b>48</b>           | <b>48</b>           |
| <b>8. Trust assets</b>   | (10)  | <b>964,575</b>      | <b>800,681</b>      |
| of which: Trust loans  |       | 964,575             | 800,681             |
| <b>9. Intangible assets</b>  | (11)  | <b>40,750</b>       | <b>40,146</b>       |
| a) Self-created industrial property rights and similar rights and assets   |       | 3                   | 4                   |
| b) Concessions, industrial property rights and similar rights and assets acquired for consideration, as well as licences to such rights and assets |       | 8,769               | 3,727               |
| c) Goodwill  |       | 31,978              | 36,242              |
| d) Payments on account   |       | 0                   | 174                 |
| <b>10. Tangible assets</b>   | (11)  | <b>25,663</b>       | <b>22,208</b>       |
| <b>11. Other assets</b>  | (12)  | <b>55,078</b>       | <b>68,479</b>       |
| <b>12. Prepaid expenses</b>  | (13)  | <b>82,496</b>       | <b>76,032</b>       |
| <b>Total assets</b>  |       | <b>22,116,272</b>   | <b>20,738,127</b>   |

| Liabilities in EUR 1,000                                | Notes       |           | 31 December<br>2023 | 31 December<br>2022 |
|---|-------------|-----------|---------------------|---------------------|
| <b>1. Liabilities to banks</b>                          | <b>(14)</b> |           | <b>4,108,728</b>    | <b>5,058,590</b>    |
| a) Payable on demand                                    |             | 374,468   |                     | 463,143             |
| b) With an agreed term or notice period                 |             | 3,734,261 |                     | 4,595,447           |
| <b>2. Liabilities to customers</b>                      | <b>(15)</b> |           | <b>3,578,525</b>    | <b>3,347,683</b>    |
| a) Other liabilities                                    |             |           | 3,578,525           | 3,347,683           |
| aa) Payable on demand                                   |             | 659,968   |                     | 529,868             |
| ab) With an agreed term or notice period                |             | 2,918,557 |                     | 2,817,815           |
| <b>3. Securitised liabilities</b>                       | <b>(16)</b> |           | <b>11,672,454</b>   | <b>9,770,864</b>    |
| a) Bonds issued   |             |           | 11,672,454          | 9,770,864           |
| <b>4. Trust liabilities</b>                             | <b>(17)</b> |           | <b>964,575</b>      | <b>800,681</b>      |
| of which: Trust loans                                   |             |           | 964,575             | 800,681             |
| <b>5. Other liabilities</b>                             | <b>(18)</b> |           | <b>23,632</b>       | <b>21,607</b>       |
| <b>6. Prepaid expenses</b>                              | <b>(19)</b> |           | <b>87,760</b>       | <b>84,449</b>       |
| <b>7. Provisions</b>                                    | <b>(20)</b> |           | <b>243,639</b>      | <b>241,731</b>      |
| a) Provisions for pensions and similar obligations      |             |           | 205,881             | 206,485             |
| b) Provisions for taxation                              |             |           | 63                  | 17                  |
| c) Other provisions                                     |             |           | 37,695              | 35,229              |
| <b>8. Subordinated liabilities</b>                      | <b>(21)</b> |           | <b>29,820</b>       | <b>36,419</b>       |
| <b>9. Funds for general banking risks</b>               |             |           | <b>239,470</b>      | <b>244,556</b>      |
| <b>10. Equity</b>                                       |             |           | <b>1,167,670</b>    | <b>1,131,547</b>    |
| a) Subscribed capital                                   |             |           | 750,000             | 750,000             |
| b) Capital reserve                                      |             |           | 69,990              | 69,990              |
| c) Net retained profit                                  |             |           | 347,680             | 311,556             |
| <b>Total liabilities</b>                                |             |           | <b>22,116,272</b>   | <b>20,738,127</b>   |
| <b>Off-balance sheet items in EUR thousand</b>          |             |           |                     |                     |
| <b>1. Contingent liabilities</b>                        | <b>(27)</b> |           | <b>131,604</b>      | <b>138,018</b>      |
| a) Liabilities in relation to guarantees and warranties |             |           | 131,604             | 138,018             |
| <b>2. Other obligations</b>                             | <b>(27)</b> |           | <b>823,798</b>      | <b>998,479</b>      |
| a) Irrevocable loan commitments                         |             |           | 823,798             | 998,479             |

# Consolidated profit and loss account 2023

| In EUR 1,000   | Notes       |                 | 2022           | 2023             |
|--|-------------|-----------------|----------------|------------------|
| <b>1. Interest income from</b>   | <b>(22)</b> |                 | <b>414,199</b> | <b>211,609</b>   |
| a) Lending and money market transactions   |             | 359,207         |                | 190,643          |
| b) Fixed-income securities and book entry securities   |             | 54,992          |                | 20,965           |
| <b>2. Interest expenditure</b>   | <b>(22)</b> |                 | <b>278,323</b> | <b>91,295</b>    |
| <b>3. Commission income</b>  | <b>(23)</b> |                 | <b>22,717</b>  | <b>19,015</b>    |
| <b>4. Commission expenses</b>  | <b>(23)</b> |                 | <b>1,534</b>   | <b>1,799</b>     |
| <b>5. Other operating income</b>   | <b>(24)</b> |                 | <b>61,571</b>  | <b>73,760</b>    |
| <b>6. General administrative expenses</b>  |             |                 | <b>151,227</b> | <b>135,480</b>   |
| a) Personnel expenses  |             | 75,140          |                | 80,504           |
| aa) Wages and salaries   |             | 60,590          |                | 53,881           |
| ab) Social security contributions and expenditure on pensions and other benefits<br>of which: for pensions                                 |             | 14,550<br>2,886 |                | 26,623<br>16,389 |
| b) Other administrative expenses   |             | 76,087          |                | 54,976           |
| <b>7. Depreciation, amortisation and write-downs on intangible assets and tangible assets</b>  |             |                 | <b>8,136</b>   | <b>7,174</b>     |
| <b>8. Other operating expenses</b>   | <b>(24)</b> |                 | <b>5,097</b>   | <b>3,983</b>     |
| <b>9. Amortisation and write-downs on accounts receivable and certain securities<br/>as well as additions to reserves in loan business</b> |             |                 | <b>29,739</b>  | <b>37,396</b>    |
| of which: Reversal to the fund for general banking risks   |             |                 | 20,086         | 20,239           |
| of which: Allocation to the fund for general banking risks   |             |                 | 15,000         | 15,000           |
| <b>10. Amortisation and write-downs on investments, shares in affiliated companies<br/>and securities treated as fixed assets</b>          |             |                 | <b>0</b>       | <b>6,006</b>     |
| <b>11. Revenues from additions to investments, shares in affiliated companies<br/>and securities treated as fixed assets</b>               |             |                 | <b>12,303</b>  | <b>0</b>         |
| <b>12. Results from ordinary activities</b>  |             |                 | <b>36,734</b>  | <b>21,252</b>    |
| <b>13. Taxes on income and profits</b>   |             |                 | <b>563</b>     | <b>433</b>       |
| <b>14. Other taxes not reported under item 8</b>   |             |                 | <b>48</b>      | <b>48</b>        |
| <b>15. Net income for the year</b>   |             |                 | <b>36,123</b>  | <b>20,770</b>    |
| <b>16. Profit carried forward</b>  |             |                 | <b>311,556</b> | <b>290,786</b>   |
| <b>17. Net retained profit</b>   |             |                 | <b>347,680</b> | <b>311,556</b>   |

## Consolidated statement of changes in equity

| In million EUR                     | Subscribed capital | Capital reserve | Net retained profit    |                         | Total equity   |
|------------------------------------|--------------------|-----------------|------------------------|-------------------------|----------------|
|                                    |                    |                 | Profit carried forward | Net income for the year |                |
| As of 31 December 2021             | 750.0              | 70.0            | 0.0                    | 290.8                   | 1,110.8        |
| Transfer to profit carried forward | 0.0                | 0.0             | 290.8                  | -290.8                  | 0.0            |
| Consolidated net profit            | 0.0                | 0.0             | 0.0                    | 20.8                    | 20.8           |
| <b>As of 31 December 2022</b>      | <b>750.0</b>       | <b>70.0</b>     | <b>0.0</b>             | <b>20.8</b>             | <b>1,131.6</b> |
| Transfer to profit carried forward | 0.0                | 0.0             | 290.8                  | -20.8                   | 0.0            |
| Consolidated net profit            | 0.0                | 0.0             | 0.0                    | 36.1                    | 36.1           |
| <b>As of 31 December 2023</b>      | <b>750.0</b>       | <b>70.0</b>     | <b>311.6</b>           | <b>36.1</b>             | <b>1,167.7</b> |

# Consolidated Cash Flow Statement

| In EUR million  | 31 December 2023 |
|---|------------------|
| <b>Net income for the year</b>  | <b>36.1</b>      |
| Non-cash items and reconciliation to cash flow from operating activities contained in profit/loss for the year  |                  |
| Amortisation, write-downs and additions to receivables, financial assets, tangible assets and intangible assets | 32.4             |
| Changes in provisions   | -1.0             |
| Income from the disposal of fixed assets and financial assets   | -19.4            |
| Net interest income   | -135.9           |
| Total other adjustments   | -4.5             |
| <b>Subtotal</b>   | <b>-92.2</b>     |
| <b>Change in assets and liabilities after adjustment by non-cash components</b>                                 |                  |
| Loans and advances to banks   | -680.7           |
| Loans and advances to customers   | -604.9           |
| Securities (other than financial assets)  | 623.5            |
| Other assets  | -95.2            |
| Liabilities to banks  | -877.8           |
| Liabilities to customers  | 231.7            |
| Securitised liabilities   | 1,961.2          |
| Other assets from operating activities  | 139.2            |
| Interest paid   | -441.9           |
| Interest and dividends received   | 298.6            |
| Income tax payments or refunds  | -0.8             |
| <b>Cash flow from operating activities</b>  | <b>460.6</b>     |
| Proceeds from the sale of financial assets  | 658.8            |
| Proceeds from the sale of tangible and intangible assets  | 0.5              |

| In EUR million  | 31 December 2023 |
|---|------------------|
| Payments for the acquisition of financial assets  | -1,100.3         |
| Payments for the acquisition of property, plant and equipment and intangible fixed assets | -12.7            |
| <b>Cash flow from investment activities</b>   | <b>-453.6</b>    |
| Changes in funds from other capital (balance)   | -1.1             |
| <b>Cash flow from financing activities</b>  | <b>-1.1</b>      |
| <b>Cash balance at the end of the previous period</b>                                     | <b>10.5</b>      |
| Cash flow from operating activities   | 460.6            |
| Cash flow from investing activities   | -453.6           |
| Cash flow from financing activities   | -1.1             |
| <b>Cash balance at the end of the period</b>  | <b>16.4</b>      |

The cash and cash equivalents shown in the cash flow statement correspond to the 'cash reserve' balance sheet item and thus include cash on hand and balances with central banks.

The cash flow statement was prepared using the indirect method and shows the change in cash and cash equivalents during the financial year as a result of the cash flows from operating, investing and financing activities.

The consolidated cash flow statement essentially reflects IBB's development. As an indicator of a bank's liquidity situation, it has only limited significance. In this context, reference is made to the statements in the risk report within the consolidated management report regarding the bank's liquidity management.

# Notes to the Consolidated Financial Statements (excerpts)

## (1) Bank identification details

IBB Unternehmensverwaltung AöR (IBB UV) has its headquarters in Berlin and is registered in the commercial register of Charlottenburg Local Court (*Handelsregister des Amtsgerichts Charlottenburg*) under number 58912 B.

The Federal State of Berlin bears public-sector responsibility that includes the public-law obligation in relation to IBB UV to secure its economic basis at all times and to maintain it in a condition suitable for operation during the time of its existence.

## (2) Accounting principles

As the parent company of the IBB UV Group, IBB UV is obliged to prepare consolidated financial statements in accordance with sec. 290 of the German Commercial Code.

As a credit institution within the scope of consolidation, IBB is the relevant subsidiary of IBB UV. For this reason, IBB UV is also considered a credit institution for the purposes of consolidated accounting in accordance with sec. 340i (3) of the German Commercial Code and must comply with bank-specific accounting regulations.

The consolidated financial statements were thus prepared in line with the German Commercial Code and in adherence to the Ordinance Regulating Reporting by Banks (*RechKredV, Verordnung über die Rechnungslegung der Kreditinstitute und Finanzdienstleistungsinstitute*). The consolidated financial statements also take into account generally accepted accounting principles and German Accounting Standards (GAS).

The format of the balance sheet and of the profit and loss account is in line with the forms of the Ordinance Regulating Reporting by Banks. Form 3 (account form) is chosen for the profit and loss account.

Unless anything to the contrary is noted, all amounts are shown in million euro (EUR m) and rounded to one decimal place. This rounding may result in minor deviations in the addition of the amounts shown.

## (3) Scope of consolidation

In addition to IBB UV as the parent company, the scope of consolidation in 2023 includes ten fully consolidated subsidiaries. No associated company is included in the consolidated financial statements using the equity method.

For the 2023 financial year, four subsidiaries that are of minor importance for the Group's net assets, financial position and results of operations pursuant to sec. 296 (2) of the German Commercial Code are not included in the consolidated financial statements. When it comes to assessing materiality, both quantitative and qualitative criteria are examined. As part of the materiality test, in addition to compliance with size criteria for each individual company, immateriality is also ensured for the entirety of all companies individually classified as immaterial with regard to the Group's equity and annual profit/loss. Non-consolidated subsidiaries are reported under the 'Shares in affiliated companies' item.

In addition, seven associated companies of insignificant importance were not included in the consolidated financial statements using the equity method in accordance with sec. 311 (2) of the German Commercial Code. The defined materiality limits with regard to the Group's annual result and equity were not exceeded for the individual companies and for the entirety of the individual immaterial associated companies. The associated companies are shown under the 'Investments' item.

An overview of the capital shares held directly and indirectly by IBB UV in subsidiaries and associated companies as per 31 December 2023 is presented in the annex 2 to the Notes to the Consolidated Financial Statements.

#### **(4) Consolidation principles**

The balance sheet date of the Group and all included subsidiaries is 31 December 2023. The annual financial statements of the companies included in the consolidated financial statements are uniformly reconciled for consolidation purposes to the accounting and valuation methods applicable to IBB UV. Receivables and liabilities as well as expenses and income between the companies included are consolidated.

Initial consolidation took place with the acquisition of the IBB (sub) group on 17 June 2021. Since the inclusion of the IBB (sub) group in IBB UV resulted in internal restructuring of the Group, the book values were carried forward from the annual financial statements prepared in accordance with commercial law. Positive differences were recognised separately as goodwill on the assets side of the consolidated balance sheet in as far as recoverability was given, and are subject to scheduled amortisation over ten years. The difference on the liabilities side determined at the time of initial consolidation of IBB UV with the IBB (sub) group was recognised in the capital reserve.

Capital measures carried out at the subsidiaries in the current year are eliminated in accordance with DRS 23.

Subsidiary BTGI Berliner Trägergesellschaft für Gewerbe-Infrastrukturmaßnahmen mbH (BTGI), which was previously held by IBB Beteiligungsgesellschaft mbH, was transferred to IBB UV in 2023. Intragroup restructuring was also eliminated as part of the consolidation.

#### **(5) Accounting and measurement methods**

##### **General**

Assets, liabilities and pending transactions were valued in accordance with the general valuation rules of sec. 252 et seqq. of the German Commercial Code, taking the special rules in sec. 340 et seqq. of the German Commercial Code into consideration.

The following accounting policies have been applied in preparing the consolidated balance sheet and the consolidated profit and loss account:

**Loans and advances to banks and customers** are generally carried at their nominal amount.

**Financial assets of the liquidity reserve** are valued at the strict lower of cost or market principle.

**Financial assets held as fixed assets** are recognised at amortised cost. If sustained impairment of value is expected, write-downs are always carried at the strict lower of cost or market principle (mitigated lower of cost or market principle).

**Participating interests and shares in affiliated companies** are carried at cost. If impairment of value is expected, write-downs are always carried at the strict lower of cost or market principle.

**Scheduled write-downs of fixed assets** and intangible fixed assets are made on assets with a limited useful life over their expected useful life. Low-value assets are written off immediately. The depreciation period is determined within the framework of the normal useful life based on the depreciation tables published by the tax authorities for each asset. Goodwill is amortised on a straight-line basis over a useful life of ten years.

**Premiums and discounts** are allocated to prepaid expenses and deferred income, respectively, and amortised in proportion to interest in line with the fixed interest period.

**Liabilities** are carried at their repayment amount.

**Negative interest** from receivables and/or liabilities is carried as interest income or interest expenditure, respectively, and accordingly reduces income or increases expenditure.

### *Risks in loan business*

Risks in loan business are addressed by value adjustments for accounts receivable and provisions for off-balance-sheet transactions. Furthermore, value adjustments for receivables bearing lower interest are formed due to margin waivers in conjunction with business development. For low-interest loans, the present value difference between the market interest rate and the contractually agreed customer interest rate is recognised in the form of an individual valuation adjustment (receivables) or a provision (outstanding payment obligation).

For recognisable counterparty risks, individual valuation adjustments are always made for receivables. Flat-rate individual valuation adjustments are made for similar receivables from bulk business. A first check is carried out to determine whether objective indications of a reduction in value exist. In a second step, a check is then performed to determine whether the value of the receivable has in fact declined. The individual valuation adjustment amount is determined by subtracting the cash value of all payments still expected from the book value of the receivable. The flat-rate individual valuation adjustment amount is determined by multiplying the book value by an expected loss given default.

The requirements of IDW accounting standard BFA 7 are applicable with regard to the determination of the flat-rate value. The overriding principle is the estimation of the expected loss over the remaining life (lifetime expected loss model). The calculation of expected losses must be based on observed credit defaults in the past. For the estimation of the valuation parameters, a sufficiently long observation period must be used, which also ensures sufficient forecast quality for cyclical business. In addition, current information and expectations regarding the risk situation must be taken into account (point-in-time view). The scope of application includes loans and advances to banks and loans and advances to customers in accordance with form 1, asset items No. 3 and No. 4, respectively, of the Ordinance Regulating Reporting by Banks. Furthermore, contingent liabilities and other commitments, including irrevocable loan commitments must be included in this risk provision.

In order to implement the requirements of IDW accounting standard BFA 7, IBB uses the procedure in accordance with the regulations of IFRS 9. Accordingly, the general loan loss provision is calculated as

the amount of the lifetime expected loss (L-EL) if there is a significant increase in the credit default risk. Quantitative criteria (e.g. total maturity PD), qualitative criteria (e.g. watchlist) and backstop criteria (e.g. 30 days in arrears) are applied when classifying loans. If, on the other hand, there is no significant increase in the credit default risk, general loan loss provisions are made to the amount of the expected loss over an observation period of twelve months (12-month EL). The expected credit losses are calculated using parameter-based models (probability of default – PD, loss given default – LGD and exposure at default – EAD). The models are validated regularly or on an ad hoc basis. Within the scope of validation, the need for management adjustment is also checked. Against the background of the current crises, the most recent validation was carried out in November 2023. The model parameters were adjusted accordingly. Additional management adjustment is not necessary.

### Valuation units

Valuation units pursuant to sec. 254 of the German Commercial Code were exclusively formed as micro hedge relationships to protect against risks due to changes in interest rates. Underlying transactions are fixed-interest securities of the investment and liquidity portfolio which are carried under bonds and other fixed-interest securities. Plain vanilla swaps are the sole hedging instrument used. In all cases where the nominal amounts are identical, the fixed interest rate of the respective underlying transaction is opposed to the fixed interest rate of the related hedge until the respective underlying and hedge transactions reach maturity.

Since all relevant value-determining factors basically match for all valuation units, the critical-terms-match method is applied to evaluate effectiveness. The net hedge presentation method is used to record the effective part of the valuation units formed in the balance sheet. In order to identify risks that are not hedged, the total change

in fair value of the underlying transaction is compared to the total change in fair value of the hedging instrument. When evaluating the underlying transaction, the negative net value is considered according to the recognition-of-loss principle. A positive net value is not taken into account.

In the case of underlying transactions that are allocated to the investment portfolio, extraordinary depreciation is only carried out if a lasting decline in value is expected due to changes in the non-hedged risks.

Furthermore, all underlying transactions and hedging instruments of valuation units are included in the loss-free valuation of the banking book using the IDW RS BFA 3 comments.

The new version of IDW RS BFA 3 comments was taken into account in full within the scope of the balance sheet and valuation as per 31 December 2023. The cash equivalent approach is applied in order to determine any provision for **anticipated losses** which may be necessary. The trading book's value-based ability to bear losses serves as the basis for calculation. The book value is deducted from net assets, and the risk and administrative costs as well as the bank-specific refinancing costs for fictitious closing transactions are taken into account to the extent necessary.

Pro-rata interest on **interest rate swaps** is recognised on an accruals or deferrals basis, respectively. It is netted on a contract by contract basis and carried under loans and advances or liabilities to banks or customers. Income resulting from interest rate derivatives is carried in the bank's net interest income. Incoming and outgoing upfront fee payments are recognised in deferred income and amortised over the term. Incoming and outgoing close-out payments are recognised in full in the profit and loss account.

**Option premiums paid or received from swap options** are reported under other assets or other liabilities. The option premium is amortised pro rata during the exercise phase. When exercised, the option premium must be taken into account as the upfront of the swap.

### *Provisions*

Reserves for pension obligations are calculated by external actuarial experts according to the projected unit credit method using Prof. Dr. Heubeck's 2018 G tables.

A projected salary/contribution assessment ceiling increase of 3.5% (previous year: 3.5%) and a projected pension increase of 2.25% (previous year: 2.25%) or 1.0% amount in the case of commitments by Versorgungsanstalt des Bundes und der Länder (VBL), respectively, were taken into consideration. The evaluation was based on an assumed interest rate of 1.83% (previous year: 1.78%).

The change in assumed interest was carried in net interest income in the profit and loss account. The change in other valuation assumptions was carried in the profit and loss account under current service cost. The interest share of the sum added to pension reserves is carried in interest expenditure.

Other provisions are carried at the amount required in line with prudent business considerations. Provisions with a term of more than one year are discounted. The change in assumed interest is carried as net interest income in the profit and loss account. The interest share of the sum added to other provisions is carried in interest expenditure.

### *Deferred taxes*

In the Group, there are only temporary differences between the valuations of assets, liabilities and prepaid expenses or loss carryforwards in the commercial and tax balance sheets that would lead to deferred tax assets.

Deferred taxes are not capitalised due to the existing option to recognise them. The disclosure in accordance with DRS 18.64 regarding the differences or tax loss carryforwards on which the deferred taxes are based is omitted because the disclosure of this information does not have a material impact on the presentation of the Group's net assets, financial position or results of operations.

## Executive bodies of IBB Unternehmensverwaltung AöR

| <b>Management Board</b>  |  |
|--|--|
| Dr. Hinrich Holm   | Chairman of the Board  |
| Angeliki Krisilion   | Member of the Board  |
| <b>Administrative Board</b>                                    |  |
| Dr. Axel Nawrath<br>(from 31 May 2023)<br>(Chairman)           | Former Chairman of the Board of L-Bank   |
| Stephan Schwarz<br>(up to 31 May 2023)<br>(Chairman)           | Senator (ret.) for Economics, Energy and Public Enterprises of the Federal State of Berlin |
| Franziska Giffey<br>(from 31 May 2023)<br>(Deputy Chairperson) | Senator for Economics, Energy and Public Enterprises of the Federal State of Berlin        |
| Andreas Geisel<br>(until 31 May 2023)<br>(Deputy Chairperson)  | Senator (ret.) for Urban Development and Housing of the Federal State of Berlin            |
| Christian Gaebler<br>(from 31 May 2023)                        | Senator for Urban Development, Construction and Housing of the Federal State of Berlin     |
| Daniel Wesener<br>(up to 31 May 2023)                          | Senator (ret.) for Finance of the Federal State of Berlin                                  |
| Wolfgang Schyrocki<br>(from 31 May 2023)                       | State secretary at the Senate Department for Finance of the Federal State of Berlin        |
| Maren Kern   | Member of the Board of BBU Verband Berlin-Brandenburgischer Wohnungsunternehmen e. V.      |
| Dr. Iris Reinelt   | Member of the Management Board of L Bank   |
| Jacqueline Tag<br>(until 31 May 2023)                          | Former member of the Management Board of ILB   |
| Nadja Bernstein  | Member of the Personnel Committee of Investitionsbank Berlin                               |
| Michael Bomke  | Chairman of the Personnel Committee of Investitionsbank Berlin                             |
| Christian Riemer   | Member of the Personnel Committee of Investitionsbank Berlin                               |

## Berlin Corporate Governance Code

Pursuant to sec. 11(3) of the Memorandum and Articles of Association of IBB Unternehmensverwaltung of 17 September 2021, the Management Board and the Administrative Board apply the Corporate Governance Code (CGC) in its applicable version as issued by the Senate Department of Finance. The regulations regarding the Berlin Corporate Governance Code, which are part of the 'Notes on Participations of the Federal State of Berlin in Companies', were adopted by the Senate of Berlin on 15 December 2015. The Declaration of Conformity by IBB UV and the companies included in the consolidated financial statements under German commercial law is published on the IBB Group's website.

## Mandates of the members of the Management Board of IBB Unternehmensverwaltung AöR

| Mandate   | Company  |
|---|--|
| <b>Dr. Hinrich Holm</b>                         |  |
| Chairman of the Supervisory Board               | IBB Beteiligungsgesellschaft mbH                   |
| Chairman of the Supervisory Board               | IBB Capital GmbH                                   |
| Second Deputy Chairman of the Supervisory Board | Berlin Partner für Wirtschaft und Technologie GmbH |
| Member of the Supervisory Board                 | BÖAG Börsen AG (Hamburg, Hanover)                  |
| <b>Angeliki Krisilion</b>                       |  |
| Member of the Supervisory Board                 | IBB Beteiligungsgesellschaft mbH                   |
| Deputy Chairman of the Supervisory Board        | IBB Business Team GmbH                             |
| Member of the Supervisory Board                 | Sächsische Aufbaubank                              |

### *Disclosure by the institutions (pillar 3)*

The information required in accordance with Articles 435 to 455 of Regulation (EU) No. 575/2013, as amended, in conjunction with sec. 26a (1) first sentence of the German Banking Act are provided in a disclosure report prepared for this purpose. The report is published on the IBB Group's website.

Berlin, 22 February 2024

The Management Board



Dr. Hinrich Holm  
(Chairman of the Management Board)



Angeliki Krisilion  
(Member of the Management Board)

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